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World Business Newspaper http://www.FT.com FRIDAY MARCH 21 1997

Renault drops dividend payout after $900m loss

Renault has decided to omit its dividend after reporting a 1996 loss of FFr5.2bn ($900m). The struggling French carmaker made the disclosure as workers staged a series of actions in protest at plans to close Renault'a Belgian car factory with the loss of 3,100 jobs. Page 15

Record US trade deficit: The US merchandise trade deficit soared to a record $19bn in January as imports of cars, oil, clothes, shoes and toys poured into the nation's ports. The Commerce Department said the bilateral deficit with Japan rose by 14 per cent to $4.3bn, and with China hy 41 per cent to $3.7bn. With Western Europe its deficit rose from $900m to $1.3bn: Page 14

Merrill Lynch, the US-based investment bank and brokerage, announced it would create a few senior management positions outside the US as part of a reorganisation to reflect the growing importance of its overseas business. Responsibility for day-to-day operations will be devolved to five chief operating officers in charge of key regions. Page 15

Israel pushes talks timetable: Israeli prime minister Benjamin Netanyahu has proposed completing within six months the final status talks on its future borders – a move that would undermine the 1995 Oslo interim peace accords with tha Palestinians. Page 6

Reprieve for Gdansk: Poland moved to defuse a row over closure of the Gdansk shipyard by announcing that five ships would be huilt there for the state-owned PZM shipping company. Earlier he had criticised the Solidarity trade union for "fomenting chaos" with demonstrations in defence of the yard where their movement was born. Page 2

Toy merger to cut 2,700 jobs. Mattel's $755m merger with Tyco Toys will cost an extra $275m in integration and restructuring charges, and result in the loss of 2,700 jobs - almost 10 per cent of the workforce, the companies said. Page 15

Italian football battle ends: A long battle over television rights to Italian League football has ended with a deal that will boost the plans of film producer Vittorio Cecchi Gori to become a force in Italian television through two small Telemontecarlo channels he bought two years ago. Page 2

India eases visits by Pakistanis: Indian foreign minister Inder Kumar Gujral announced an easing of travel restrictions on Pakistanis as a "new unilateral step" ahead of talks between the neighbours next week. Young and elderly Pakistanis will no longer have to report to police, and some visa fees will be waived.

Agip, state-run Italian gas and oil company, announced a deal with the Croatian petroleum company INA to explore an area off the coast of Zara, Croatia, at a cost of $25m.

S Korea upholds austerity: South Korea said it would pursue an austere economic policy this year in spite of fears of further corporate collapses and a banking crisis following the bankruptcy of the Sammi steel group. Page 14

Spanish banker sentenced to six years

The former chairman of the Banesto banking group, Mario Conde, left, who was seen in the 1980s as Spain's leading financier, was sentenced to six years in jail and fined $70,000 for conviction on fraud charges. His two-week trial in Madrid was the first of several he faces in connection with missing Banesto funds totalling Pta7.8bn.($54m). He has five days to appeal. Page 14

Deal to be signed on Indian N-plants: Russia will sign an agreement next week to sell India two 1,000-megawatt nuclear reactors to generate power in southern India, officials said.

Carlo Fassi, the man who coached US skaters Peggy Fleming and Dorothy Hamill and British skaters John Curry and Robin Cousins to Olympic gold medals, died after suffering a heart attack at the world figure skating championships in Lausanne, Switzerland. He was 67.

FT.com: the FT web site provides online news, comment and analysis at http://www.FT.com

■ STOCK MARKET INDICES

New York lunchtime		
Dow Jones Ind Av	6858.84	(-19.64)
NASDAQ Composite	1261.84	(+12.35)
Europe and Far East		
CAC40	2553.72	(-43.05)
DAX	3264.67	(-51.26)
FTSE 100	4258.1	(-74.1)
Nikkei	closed	

■ US LUNCHTIME RATES

Federal Funds	5⅝%
3-mth Treas Bills: Yld	5.322%
Long Bond	95⅜
Yield	6.984%

■ OTHER RATES

UK: 3-mo Interbank	6⅜%	(6⅝%)
UK: 10 yr Gilt	99⅞	(99⅞)
France: 10 yr OAT	105.28	(105.29)
Germany: 10 yr Bund	100.44	(100.37)
Japan: 10 yr JGB	closed	(105.322)

■ NORTH SEA OIL (Argus)

Brent Dated	$19.60	(19.705)

■ GOLD

New York: Comex	$351.7	(352.4)
London: close	$351.55	(349.15)

■ DOLLAR

New York: lunchtime		
£	1.5953	
DM	1.69085	
FFr	5.7027	
SFr	1.4495	
Y	123.705	
London:		
£	1.5942	(1.5973)
DM	1.6867	(1.6815)
FFr	5.69	(5.6711)
SFr	1.4459	(1.4451)
Y	123.44	(122.75)
Tokyo:	Y closed	

■ STERLING

DM	2.6889	(2.6858)

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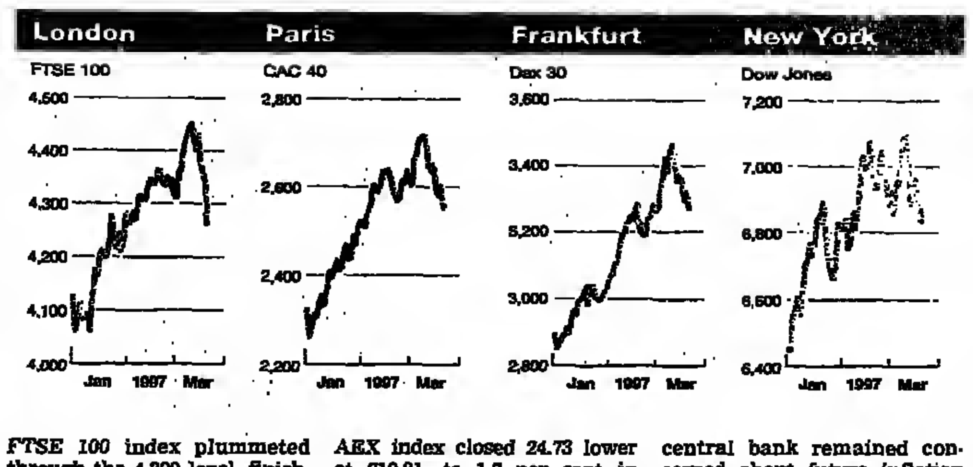
Greenspan warns of readiness to increase short-term interest rates

Fed causes markets to tumble

By Gerard Baker in Washington and our markets staff in London



US and European stock and bond prices tumbled yesterday after Mr Alan Greenspan, the chairman of the Federal Reserve, repeated his recent warnings that the US central bank was ready to make a preemptive strike against inflation with an increase in short-term interest rates.

At noon US bond prices were sharply lower, with the yield on the benchmark 30-year treasury bond rising above 7 per cent for tha first time for six months, although they later rebounded. The decline in the Dow Jones Industrial Average was limited to abont 26 points at 6,850.87 in late afternoon trading. Analysts said many investors had factored in an interest rate rise.

European markets reacted mnch more strongly. The FTSE 100 index plummeted through the 4,300 level, finishing 74.1 lower at 4,258.1, extending the decline over the four days to 166.2, or 3.8 per cent. The FTSE 250 dropped 87.7 to 4,565.2.

Falls among senior continental bourses ranged from 3.4 per cent in Amsterdam, where the AEX index closed 24.73 lower at 710.31, to 1.7 per cent in Paris with the CAC 40 index 43.05 lower at 2,553.72.

Mr Greenspan, in his last acheduled public appearance before next week's meeting of the Fed's policy-setting open market committee, told a congressional committee that the central bank remained concerned about future inflation trends, even though there were still few clear signs of price pressures.

"We're now in a position where we have to move ahead of the curve," Mr Greenspan said. "We have to look beyond the current state of affairs," though he added, "the current state of affairs is quite benign." The US economy's recent performance had been "quite favourable" but that demand had been growing strongly in 1997.

His remarks were largely a repetition of the warnings he has given in the last three months of the need for the Fed to be vigilant about rising inflationary pressures. But tbe fact that he chose to restale them so close to the open market committee meeting prompted many market analysts to conclude they signalled an interest rate increase, probably next week.

"The handwriting is on the wall. He clearly signalled a tightening move," said Mr David Jones, chief economist

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First Bank in $8.7bn merger with US Bancorp

By John Authers in New York

First Bank System of Minnesota yesterday unveiled the latest in a series of big US bank mergers with an agreed $8.7bn all share bid for Oregon-based US Bancorp.

The combined entity, which will take the US Bancorp name, will be the eighth largest US bank by market capitalisation at about $19bn, and 14th by assets, with about $70bn.

It will also have one of the largest US retail franchises, with branches in 17 states spreading from Illinois and Minnesota in the midwest through to Washington, Oregon, and northern California.

The deal confirms the trend for geographic consolidation with banks buying rivals in different states in a bid to build a national franchise. Otbers pursuing a similar strategy include NationsBank and First Union of North Carolina and KeyCorp and Bank One of Ohio.

First Bank's heavy investment in new banking technology was the main motivation behind US Bancorp's decision.

Mr Gary Cameron, US Bancorp's chief executive, said: "First Bank has spent way more money than we have on technology – tblogs we were only just starting to invest in."

The two banks' branch networks do not overlap, but First Bank is still looking to cut US Bancorp's operating expenses by $340m, or about 28 per cent, with the loss of about 4,000 jobs.

First Bank already has the third largest US network of teller machines, witb almost three times as many as US Bancorp; it has 327 branches against US Bancorp's 578.

Mr Jack Grundhofer, First Bank's chief executive, said: "Our regions are contiguous, compatible, and are in attractive growth markets. You could live a couple of lifetimes without finding another fit this good."

Mr Thomas Hanley, banking

Continued on Page 14

Russia president looks for 'peaceful note' at Helsinki conference with US

Yeltsin adopts conciliatory tone at summit

By Chrystia Freeland and Matthew Kaminski in Helsinki

Russian president Mr Boris Yeltsin yesterday struck a conciliatory note, in contrast with the uncompromising stance of his officials, at the start of a two-day US-Russia summit expected to focus on Nato expansion.

"Helsinki, not for the first time, will play a peaceful note for the whole world," Mr Yeltsin said after striding confidently down the steps of his new presidential jet, looking vigorous and in command on his first foreign trip in nearly a year.

Mr Yeltsin's mood was at odds with tha sabre-rattling of the rest of the Russian government, which has been warning that the summit could end without resolving the dispute over Nato expansion.

Mr Yaltsin'a upbeat predictions seemed to disconcert the White House, which has tried to prepare puhlic opinion for disagreement in what could be the most contentious US-Russia summit since the end of the cold war.

The US was put at a further disadvantage by Mr Bill Clinton's knee injury over the weekend. While Mr Yeltsin defied speculation about his poor health with a robust performance, the US president was forced to descend ignominiously from his Air Force 1 jet in a Finnair catering van.

The White House did suggest that the experience of navigating a summit in a wheelchair had made Mr Clinton more sympathetic to the plight of handicapped Americans.

No matter what the Russian position, the US is committed to push ahead with Nato's plans to invite some eastern European states to join the military alliance.

But the Russian leader put the onus of compromise squarely on the shoulders of the US president. "I think Bill Clinton and his team are inclined to find constructive approaches and to seek a compromise so that we can agree on all disputed issues and part, as we have in the past, as friends," Mr Yeltsin said.

As the two presidents posed for photographs before the official dinner yesterday evening to mark the summit's start, Mr Clinton echoed the Kremlin chief's positive tone. "I think we will work something out," the wheelchair-hound US leader said.

Mrs Madeleine Albright, the US secretary of state, who held a meeting with her Russian counterpart yesterday, underscored the US commitment to Nato and dismissed tough talk from Russian officials as "rhetoric".

In an effort to win over Moscow, the US is expected to discuss deeper economic and political integration for Russia into international organisations, although the Kremlin is wary of the perception of being bought off.

Smoother Russians, Page 3

Presidents Yeltsin (left) and Clinton, with their interpreters, meet before their talks Picture: Reuter

Liggett set to give way on cigarette health warnings

By Richard Tomkins in New York

Anti-tobacco forces in the US were yesterday poised to announce that they had won a cigarette maker's agreement to put labels on its packs warning that smoking is addictive.

If it is finalised, the deal being negotiated between Liggett – maker of Lark, Chesterfield and Eve cigarettes – and the attorneys-general of 22 state governments, could erode the US tobacco industry's defences against lawsuits.

The companies and their executives have consistently denied that smokers become addicted to their products, but the governments have sued them for the cost of treating smoking-related illnesses.

Other companies could find it difficult to deny that their products were addictive if one company was admitting it.

The deal would give Liggett immunity from litigation pending against the industry, but in return Liggett would hand over about 25 per cent of its pre-tax profits over the next 25 years to a fund that would share out the proceeds among the litigants.

As well as the warning label on its products, Liggett would also hand over internal documents it has previously claimed to be privileged. Some could relate to discussions between tobacco companies about sensitive legal issues.

Tobacco stocks fell sharply yesterday on worries that the documents could show tobacco companies had conspired to hold hack information about the hazards of smoking.

In early trading, Philip Morris was down $5¾ at $116¾ and RJR Nabisco was down $¾ at $31½. Amid recent setbacks in the courts and a renewal of concerns about the litigation environment, Philip Morris's shares have fallen 16 per cent from the peak of $139¾ which they hit 10 days ago.

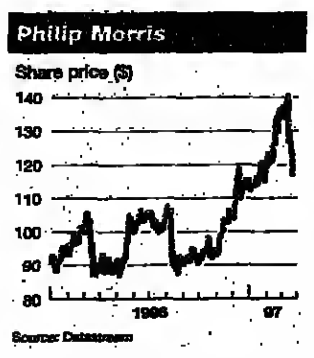
The other US tobacco companies reacted with fury to Liggett's move, obtaining a temporary restraining order from a North Carolina court to prevent it from handing over documents relating to discussions with any or all of them.

Work on the deal began a year ago when Liggett, part of the Brooke Group controlled by financier Mr Bennett LeBow, broke ranks with the industry and offered to settle litigation by paying out a portion of its profits.

At the time, the deal was seen as a ploy in Mr LeBow's attempt to win control of RJR Nabisco, the second biggest US tobacco company.

Mr LeBow's tilt at RJR Nabisco failed, hut the industry believes he has pursued a settlement in the hope of frightening a bigger company into taking over Liggett at an inflated price to shut him up.

Philip Morris



Source: Datastream

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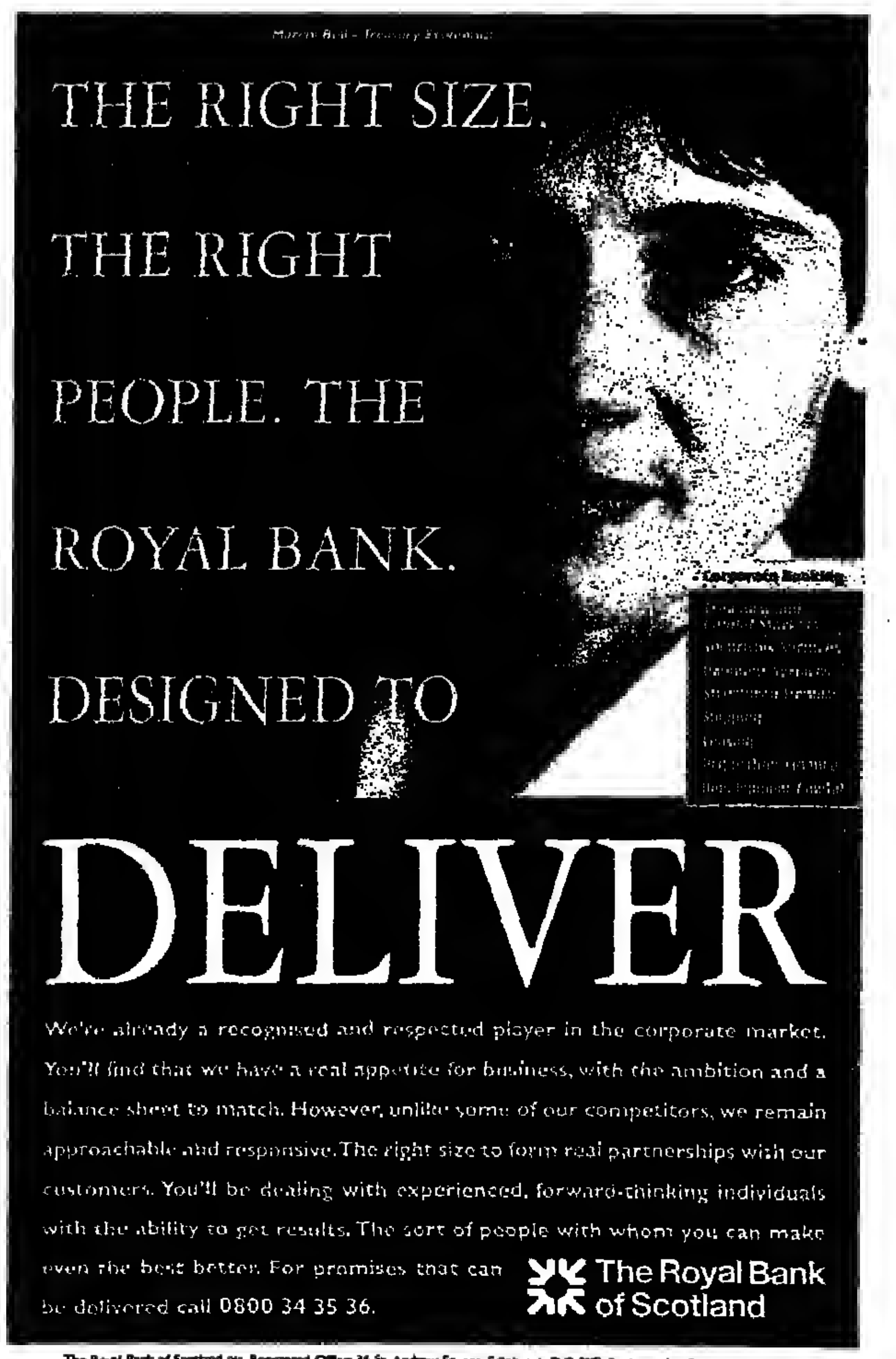

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NEWS: EUROPE

Surge in capital flight from Russia

By Anthony Robinson, East Europe Editor

Capital flight from Russia was 10 times greater than the inflow of foreign direct investment last year. Tackling the underlying weaknesses of the foreign investment regime and the banking system which fuel the outflow will be the most important task of the new reformist government, according to a research paper from Deutscba Morgan Grenfell.

Foreign direct investment (FDI) of $2.2bn which flowed into Russia – a vast country with 150m people and a $440bn economy – was lower than the $2.9bn which flowed into Peru last year. It was dwarfed by the estimated $22.3bn which either flowed abroad, mostly illegally, or ended up under mattresses and floor boards, the investment bank calculates.

The outflow continued in spite of an overall improvement in macroeconomic management. This cut inflation to 22 per cent and reduced tba yield on government honds from 200 to 30 per cent against the background of an 8 per cent rise in exports which produced a trade surplus of $24hn and an overall current account surplus of $12.8bn.

With those levels of current account surplus 8bn and foreign direct investment, either Russia's external debt should have fallen or its international reserves should have risen last year. The opposite occurred. External debt rose by $4.1bn to $124.5bn over the year, wbile reserves fell $3.2bn to $11.3bn.

"Add together the current account surplus, FDI, the debt build-up and reserve usage and we get a figure of $23.2bn of what may politely he called a 'balancing item', the report calculates. "Some of these outflows may be legitimate trade credit, hnt the number is a pretty good proxy for a fundamental problem facing Russia – capital flight," it adds.

The rate of outflow is nearly double that estimated at an international conference on money laundering held in Prague last month. Mr Sergei Shibaev, a former partner in Coopers & Lybrand, estimated that $80bn had flowed out of Russia over the last five years and that capital was continuing to leave at a rate of $12bo a year.

Last year the Russian ceotral hank authorised the transfer of $811m, of which only half was actually transferred. The bulk of funds were transferred illegally through western banks, with Switzerland and Cyprus as the favourite destinations. The outflow is partly of more or less legitimate funds seeking a safer haven than the Russian banks but it also inclndes profits from criminal activities.

● John Thornhill adds from Moscow: Central bank statistics suggest the bulk of the flight capital flooded out in the first half of last year, as Russian businesses feared the possible return of the Communist party to power after presidential elections in June. But there are some signs that some of that flight capital is returning to Russia after being "repackaged" in foreign financial centres. Financial analysts believe an increase in foreign investment from countries *such as Switzerland, Cyprus, and* the Cayman Islands has the "smell" of Russian money.

Cold War ghosts laid to rest

US-Russian summit gives Finland a chance to showcase its strengths

By Matthew Kaminski in Helsinki

Even the trams in Helsinki are adorned with Russian and American flags.

Tha Finnish hosts of the US-Russian summit, which began yesterday under sunny skies and in unseasonably freezing weather, spared no detail in reprising their small capital's familiar Cold War role as a meeting place for adversarial world powers.

Several thousand people, including more than 2,500 journalists, descended on Helsinki, which a local chamber of commerce touted as "safe, clean, exotic and well organised" and, thus, ideal for such gatherings. The last US-Russian summit was held there in 1990.

Traffic was not unduly disturhed. As Mrs Madeleine Albright zoomed to lunch in her black Cadillac, a policeman said: "No problem. We are used to this." Not far away black Russian Zil limousines were negotiating the narrow streets.

President Martti Ahtisaari, a stocky man who local media claim enjoys two main courses at a sitting, last night entertained US President *Bill Clinton* and Mr and Mrs Yeltsin for dinner. The menn featured saddle of reindeer fawn, a Finnish speciality.

Mäntyniemi or Pine Point, tha president's modern residence that, according to the official guide, was designed for "durability and Finnishness" and is full of strange angles, will be the site for today's summit meeting.

Finns are "mildly amused" by the commotion, said Mr *Kari Huhta, foreign editor at* Helsingin Sanomat, the largest daily, which listed the points in the city where motorcades would pass.

Mr Huhta noted the pundits were more ambivalent. Another east-west summit in Helsinki evokes the seven decades of Finland's uneasy cohabitation with the Soviet Union that prevented its memhership in European institutions. Finland joined the European Union in 1995, "at long last claiming its rightful place," says the foreign ministry. But, rather than hring back Cold War ghosts, the summit has already helped showcase Finland's *strengths* in modern communications technology. Nokia, the Finnish mobile telepbona company better known in some quarters than Finland itself, is doing brisk business renting out its units.

President *Boris Yeltsin* (right) *is* welcomed by *his* Finnish counterpart Martti Ahtisaari in Helsinki yesterday Reuter

The 1997 meeting will also go down in history as the first Internet summit. Web-friendly computer terminals were specially installed in several locations. All the important events and background briefings are carried on *an Internet home page* (at http://virtual.finland.fi).

Smoother Russians set out to ditch 'Mr Nyet'

By Chrystia Freeland in Helsinki

From the record of past US-Russia summits, it has been tempting to concinde that the concept of "Kremlin press relations" was self-contradictory.

While the purring White House information machine reliably feeds the media a rich diet of briefings and transcripts, at a summit meeting in Moscow two years ago foreign reporters were roughed up by Rnssian security guards and admitted to a Clinton-Yeltsin meeting only after the personal intervention of the US president.

But in Helsinki this week, that has all changed: "Mr Nyet" (Russian: "No") has discovered spin.

Instead of the usual hostility and remoteness, the Finnish capital is patrolled by friendly Russian press officers, ever-reachable on their sleek mobile phones.

Even more remarkably, at a centrally located press centre, the Kremlin has put on a beefy menn of news conferences by a wide range of political, civic and business figures on themes ranging from the Russian mafia ("an inevitable problem of transition") to human rights.

Like most of the best ideas in Russia today, the proposal to make the Kremlin accessible came from the private sector. Mr Sergei Karaganov, a politician and businessman who was one of the driving forces behind the programme, says the Kremlin'a maiden effort at public relations was the brainchild of a group of media, business and political entrepreneurs.

Dissatisfied with Russia's international image, a month ago they suggested that Moscow mount a vigorous information campaign in Helsinki. They also offered to help pnt it together.

"We went to Yastrzhembsky [Mr Sergei Yastrzhembsky, the Kremlin spokesman] and said: Our country is improperly understood," Mr Karaganov said. "We must bring real people to Helsinki, people involved with real things and not just government officials."

Mr Karaganov, wbo has set up a private organisation, the Council on Defence and Foreign Policy, to provide a public forum to discuss Russia's role in the world, added: "We are not officials, we are people who can speak freely. We will be filling in all the gaps, providing the gossip and so forth".

Mr Boris Berezovsky, a car salesman turned politician who is also in Helsinki this week, agrees Russia is struggling to make up for its past neglect of the western art of public relations.

"In the past, Russia did not pay enough attention to its image," Mr Berezovsky, deputy head of Russia's security council, says: "We are now learning that one of the most important institutions of western democracy is carefully explaining our position, not just stating it categorically."

For Russian officials, arriving in Helsinki with the depressing certainty they stood no chance of altering the US position on Nato expansion, the Kremlin's new public relations prowess has already provided one source of solace.

"I don't know how the summit will turn ont," Mr Yastrzhembsky told Finnish television, "bnt I think we've already won the public relations game."

Wismut makes clean break with its past

Wismut, once the world's third biggest uranium producer and one of the dirtiest in Europe, has begun the unlikely transformation into an international environmental clean-up group.

The east *German* company, which caused huge eovironmental damage in Saxony and Thuringia mining uranium for use in the Soviet Army's SS-20 missiles, has won a Ecu1m ($1.14m) contract from the European Union to measure radiation in six European countries.

Tbe Wismut mines were started by the Soviet Union at the end of the second world war as part of East Germany's war reparations. Run hy units of the Red Army as a state within a state, the mines at their peak employed 130,000 people.

Until reunification in 1990, about 220,000 tonnes of uranium were mined and shipped back to the Soviet Union.

The company's *success* was achieved at grave environmental cost and with disregard to its workers' health. Figures are still not certain hut at least 5,000 workers are *known to* have *died from* lung cancer.

The area around the mines was likened to a lunar landscape with dangerously high mountains of radioactive waste rock, radioactive ponds and extensive leaching into underground reservoirs of heavy metals and arsenic.

After German unification the state-owned company was ordered to stop production and start cleaning up. Of Wismut's 45,000 workers, fewer than 4,500 kept their jobs. The company was to be wound up once the task was completed.

It was a mammoth task. An audit in 1990 sbowed 56 big shafts, 1,520 hectares of waste and ponds covering 730 hectares.

However, just six years later and part way through a federal programme expected to cost DM13bn ($7.6bn) over 10-15 years, the company is sufficiently confident about its task to think again about its mission.

In 1995 Wismut hived off a unit called Wismut Consulting to offer its expertise to other countries with harmful environmental legacies.

After winning a small contract to clean up in Bulgaria, the company has now secured the Ecu1m deal with the EU to evaluate air, water and soil radiation in Estonia, Bulgaria, Poland, Slovenia and Hungary.

Mr Uwe Walter, vice-president of Wismut Consulting, said: "It probably isn't a big project for the EU but it is a big project for us."

At the TerraTec environmental fair in Leipzig, Mr Werner Runge, a spokesman, was similarly optimistic about the future of the new-look eco-company. "The consulting company was founded to see how the technologies could be adapted to other *sites. Our long-term* project is to be a fully privatised and profit-oriented company," he said.

No one is keener for that to happen than the German economics *ministry*. Unlike other environmental clean-ups in eastern Germany, which must be paid for by the states, the unique nature of the Wismut clean-up and *its scale mean the costs* have been borne entirely by the federal government.

The economics ministry noted with pride, and probably some relief, that a number *of German* and *foreign* companies bad suggested co-operetion to Wismut to take advantage of its "dedicated project management and the use of state of the art remedial technologies".

In a report on the company's future the ministry hoped there could be more return on its investment from a broadening of Wismut's cleaning power.

Lucy Smy

Would-be TV mogul nets soccer deal

By Robert Graham in Rome

A long battle over the valuable television rights for Italian League football has ended with s deal that will boost the plans of Mr Vittorio Cecchi Gori, ths film producer, to become a force in Italian television.

Mr Cecchi Gori is using sport, especially football, as a means of increasing audience for the two small Telemontecarlo channels which hs bought two years ago. After bidding successfully last year for the league rights, defeating the Rai state broadcasting organisation and Mr Silvio Berlusconi's Mediaset, ba has now agreed to yield to Rai the rights to show league matches live.

The deal means Rai will take responsibility for the L213bn ($126m) payment for rights to the next two seasons' League matches, while Telemontecarlo will be allowed to show repeats later. Mr Cecchi Gori also gains some live championship rights and overseas sales.

In a separate, but related, agreement, Rai will acquire from the Cecchi Gori group the rights to 38 films from the latter's extensive library. Rai has also undertaken to help Telemontecarlo extend its coverage to the whole country. At present, Telemontecarlo covers only 75 per cent of Italy and accounts for no more than 4 per cent of the market.

Mr Berlusconi, owner of ths Mediaset television gronp and leader of the rightwing political opposition, immediately attacked the agreement as "cartel-like".

The opposition pointed out that Mr Cecchi Gori was a senator for the Popular party, which is part of the centre-left government. The government itself is anxious to expand Telemontecarlo's market share to break the Rai-Mediaset duopoly.

Mediaset said it would present a complaint to the state media watch-dog commission. Late yesterday, lawyers for Mediaset, which accounts for 45 per cent of the national audience, presnted a petition before a Florence court to annul the agreement.

The Football League itself is not due to eodorse the arrangement nntil next Tuesday.

Mr Enzo Siciliano, the Rai chairman, claimed yesterday that the deal was not "a cartel arrangement". But he confirmed that two Rai board members had opposed the agreement because they believed Mr Cecchi Gori would not have been able to come up with the required L213bn to pay for the rights he had acquired by yesterday as a court had ordered. This would have left Rai automatically in possession of the rights as the second highest bidder.

When he first won the league rights Mr Cecchi Gori had difficulty prodncing funds to back his bid. But efforts to block the award failed. The Cecchi Gori group insisted yesterday that it had a financial package arranged by Merrill Lynch that would have covered the price.

Italy to unveil budget measures by Easter

By Robert Graham

The Italian government plans s mini-budget before Easter to limit an increasingly confused discussion about the measures necessary to meet the criteria for joining the European single currency.

The announcement was made yesterday following completion of data on Treasury receipts for the first quarter.

Although the government did not immediately release these figures, officials said the overshoot on 1997 budget deficit projections was L15,500bn ($9bn). This would mean a deficit of L75,500bn, equivalent to 3.8 per cent of gross domestic product, compared to the required 3 per cent.

It was st the top end of earlier estimates and was based on the entire deficit of the public administration as required by the European Commission. However, the figure would have been higher if finally adjusted data for 1996 had not shown a slightly smaller deficit than previously stated. This was understood to have been L126,000bn, equivalent to 6.7 per cent of GDP, and some L10,000bn less than projected.

Ths government must now decide whether to introduce a mini-budget simply to correct the overshoot or undertake something more ambitious. The situation is complicated by continuing depressed domestic demand. Latest estimates for annual growth, at around 1 per cent, are half that forecast when the 1997 budget was drawn up.

Much also depends upon the central bank which has persisted in operating a tight monetary policy. With preliminary data from the cities showing consumer prices dropping in February to a year-on-year 2.2 per cent, the bank will be under pressure to cut rates quickly.

Until yesterday it was unclear when the measures would be announced. But, apart from being anxious to speed up the consensus-building within the coalition, ministers want to avoid the financial package becoming embroiled with important municipal elections dne on April 27.

Even though the Treasury has a fairly firm idea of the measures it wants, these have yet to be cleared with the parties supporting the government. They will also need at least the tacit backing of the unions. The key test will be whether a beginning can be made on structural cuts in welfare spending, overcoming objections of the hardliners in Reconstructed Communism.

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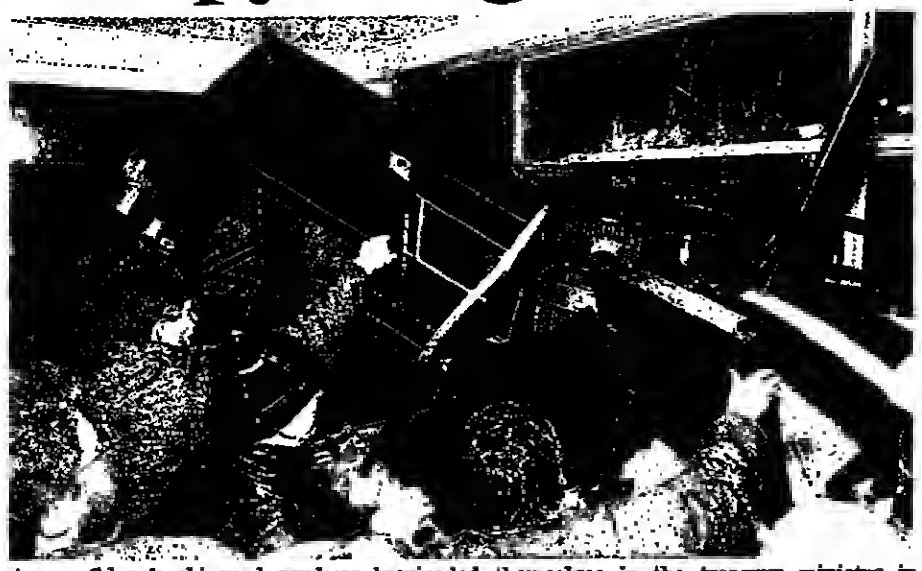
R

Polish government intervenes after violent protests over threatened closure

Gdansk shipyard given reprieve

By Christopher Bobinski in Warsaw



Angry Gdansk shipyard workers barricaded themselves in the treasury ministry in Warsaw earlier in the week in protest at the planned closure of the yard AP

The Polisb governmant yesterday sought to defuse a politically sensitive row over the closure of the Gdansk shipyard by announcing five ships would be built there for Polska Zegluga Morska (PZM), a state-owned shipping company.

Mr Wlodzimierz Cimoszewicz, the prime minister, told parliament the ships would be built between 1998 and 2000 in Gdansk by a subsidiary of the successful Szczecin yard. Gdansk would also complete one vessel under construction and build one other for a German shipowner.

He bad previously criticised the Solidarity trade union fiercely for "fomenting chaos" by their protest actions in the yard's defence this week.

The Szczecin management turned round their near-bankrupt shipyard using production techniques which the union-dominated Gdansk shipyard was unable to carry out. Under the proposed plan, Szczecin would form s special snbsidiary that would use the assets of the Gdansk yard to build ships ordered from its own yards and provide jobs for around 2,000 of the 3,800 people still employed there.

The Szczecin yard refused to comment on the plan but confirmed it had received an order worth about $100m for five bulk carriers from PZM which could be built in Gdansk.

The shipping company was unable to confirm that it had agreed to have the ships built in Gdansk.

Mr Cimoszewicz's statement came as several hundred shipyard workers and miners demonstrated in Warsaw again after riots earlier this week when groups of protesting workers were ejected by police from government buildings, including the state treasury.

Mr Marian Krzaklewski, head of Solidarity, has called for national protests by his union members to save Gdansk, and the fight over the shipyard's fnture has become the first battle in an undeclared election campaign.

Solidarity is also the core of a new political grouping called Solidarity Electoral Action (AWS). AWS, with Mr Krzaklewski at the helm, has become the main political opposition to the governing coalition of former Communists. Parliamentary elections are expected in September.

The decision to close the shipyard, where the former president, Mr Lech Walesa, created Solidarity, was essentially taken by the banks but has been denounced by the AWS as a political attack on the union.

The yard has faced the prospect of closure since it was declared bankrupt last summer and has been managed by a receiver who is looking for a buyer. This month, the receiver said he would dismiss the remaining workers after the yard was refused a $100m bank loan to finance the final order of five ships for Schoeller, a German shipowner.

Yesterday, Mr Cimoszewicz said that tha involvement of Szczecin management in Gdansk would make it easier to arrange bank loans and government guarantees in order to underpin the new plan.

Neither side has strength to defeat the other, writes Guy Dinmore in Tirana

Battered Albania pauses for breath

The sonthern Albanian rebels' ultimatum demanding the resignation of President Sali Berlsba expired yesterday. So did a government offer of amnesty if the insurgents laid down their weapons. Nothing bappened in either case, reflecting the stalemate between the two sides.

Mr Bashkim Fino, Socialist prime minister of the week-old government of national reconciliation, has abandoned plans to go to Gjirokaster in ths south to negotiate with one of the main rebel leaders, Mr Agim Gozhita. According to Socialist sources, he was advised against it by supporters of Mr Berisha and his rightwing Democratic party, which controls the powerful Interior Ministry.

A shadowy organisation calling itself the Committee for National Salvation issued a statement declaring that Mr Berisha was "a factor for national, political and social equilibrium" in the country. The committee claimed to have "thousands of armed Albanian members" and would use "all its force to challenge groups paid by the historic enemies of Albania". This was a reference to a visit to the rebels by a Greek deputy foreign minister.

There is a sizeable Greek minority in southern Albania, and Tirana fears any movement towards secession. Some rebel leaders have threatened to declare their own government in the south.

Mr Berisha insists he will only resign if the Democratic party loses parliamentary elections, due to be held by the end of June. The party took 122 of parliament's 140 seats in elections last May, with widespread allegations of vote-rigging and intimidation. The Socialist party leader, Mr Fatos Nano, who was released from prison last week and is seen as a likely successor to Mr Berisha, believes international monitors can prevent a repeat of that problem, but the rebels are not convinced.

Several police tanks and armoured personnel carriars drove around central Tirana on Wednesday night, ramming bome the message that real power lies with forces loyal to the president.

Tirana airport reopaned yesterday with a flight by Albanian Airlines after closing a week ago when thousands of people, led by criminal gangs, ransacked abandoned military barracks and went on a looting spree. Western commercial airlines said, however, that they would not resume services before Sunday at the earliest.

However, while the new government is slowly reasserting its anthority in Tirana and the main port of Durres, as well as in areas to the north, the southern rebels appear unable to stop pillaging and violence in towns supposedly under their control.

Rival gangs have fought gun battles in the south-east town of Korca this week, burning down factories and schools. Residants ssy as many as 30 people have been killed, children kidnapped and women raped in nearby villages. Violence bas also been reported from Vlore and Gjirokaster.

The rebels have tanks and heavy weapons, as well as the support of ex-Communist army officers ousted by Mr Berisha, but they appear to lack the organisation needed to advance northwards. Likewise, the president does not have the power to send an army to crush the southern insurrection.

"Never in the history of Albania have we had a war between north and south," says Mr Paskal Milo, a professor of history at Tirana University, dismissing widespread reports in the western media of a civil war along ethnic lines. But he believes the president risks upsetting the traditional balance of power between north and south and the three main religious communities of Moslems, Catholics and Orthodox Christians.

Whether Albania resolves its conflict through guns or the ballot box, whoever comes to power will still be faced with tackling the grinding poverty that sparked the southern revolt after collapsed pyramid schemes robbed many people of all their savings.

Sitting in his one-room dormitory in Tirana, Mr Sbpetim Mermia apologises for not even being able to offer a cup of coffee to his guests.

Blind since an accident in the army at the age of 19, he survives on a monthly allowance of 4,100 leks ($28) and even that was not paid this month. "The president doesn't think of us," ha says. "We're very pessimistic. We don't trust any political parties.

"We just want food and protection. We hope foreign aid will come."

Mrs Murie Matoshi, like many migrants from the poorer north, came to Tirana in search of a better life. But her busband is unemployed and now even the water has been cut off.

In the view of Zyra, a woman living in a wooden shack amid the shanties of northern Tirana, life was better under the Stalinist dictator Enver Hoxha. "This is tha toughest period of my life. I thought democracy would be better than this. "But I still believe in democracy. It means to be free."

Italy's navy prepares for EU intervention

The Italian military is mustering an amphibious force off the Albanian coast in readiness for a humanitarian aid operation co-ordinated with Italy's European allies, writes Robert Graham in Roms.

Despite strong rumours that a bridgehead is to be established imminently at the principal Albanian port of Durres, Mr Beniamino Andreatta, the defence minister, denied yesterday that Italy was ready to take unilateral action. Officials say no decision is likely until European Union ministers meet on Monday.

Only if tha EU fails to agree on a limited mission is Italy likely to reconsider taking the lead on its own.

In anticipation of a move to help restore a degree of normality in Albania, the Italian navy has already begun patrolling in Albanian waters with the permission of the Tirana government. The navy has been involved in rescuing refugees from boats inside Albanian waters. More importantly, it has discreetly begun to implement an interdiction policy on vessels heading for Italy.

At least one boat was reported to have been towed back to port as part of a more general policy of preventing craft leaving Albanian ports. This policy is believed to have helped explain the absence during the past 24 hours of vessels bringing Albanians to seek refuge in Italy.

Tirana, meanwhile, has asked Italy to suspend further enforced repatriation following Wednesday's return of 288 "undesirables". All walked free because the authorities had no jails to house them.

Commission tackles genetic issue

Fischler prepares radical plan to label all gene-modified farm products in EU

By Caroline Southey in Brussels

Radical plans to ensure that all genetically modified farm products are labelled in the European Union will be unveiled shortly by Mr Franz Fischler, the agriculture commissioner.

His proposal fits in with a broader Commission campaign to improve consumer protection following accusations of mismanagement over "mad cow" disease.

Mr Jacques Santer, the European Commission president, earlier this year promised the European Parliament that compulsory labelling would bs considered for all genetically modified organisms, or GMOs. However, the issue has caused deep divisions among commissioners.

In one camp are those, such as Ms Ritt Bjerregaard, responsible for the environment, who want a tough regime; in the other are those, such as Sir Leon Brittan (trade) and Mr Martin Bangemann (industrial affairs), who want maximum flexibility.

Pressure on the Commission to act has also intensified following its decision late last year to give the go-ahsad for imports of genetically modified maize developed by the Swiss chemicals group Ciba. Environmental groups criticised the absence of a labelling regime, arguing that consumers would be unable to distinguish bstween the modiflsd and ordinary maize.

Mr Fischler's proposal would make labels obligatory on all genetically modified seeds and grain, and on all animal feed made from the raw materials. The labels, which would have to appear even if only a small portion of a consignment was made up of GMOs, would state that the product had been "obtained by genetic modification".

GMOs would be banned, in sddition, from use on all organic farms.

"Ws do not think that genetically modified products ara dangerous. But farmers want to know what they are feeding their animals so that they can give assurances to consumers," said Mr Fischler, adding that the EU had to face the fact that more GMOs would come on to the market.

Mr Fischler's proposal goes beyond the provisions of the EU novel foods directive. Although that directive provides for labelling of "live" genetically modified products – those that could theoretically grow if put in soil – it exempts a large number of unprocessed and processed products.

The commissioner said the proposals, which only cover agricultural products, would provide the foundations for a wider labelling regime. EU officials said the Commission would have to act quickly on a wider labelling framework because member states were taking unilateral action in response to a consumer backlash against GMOs.

Denmark is pressing ahead with national labelling rules for GMOs; France and Italy have banned farmers from planting genetically modified maize seeds; and Austria and Luxembourg have banned imports of modified maize.

Mr Fischler said the labelling regime should be welcomed by industry. "This should benefit the bio-technology industries because the absence of labels could lead to GMOs baving a bad image," he said.

EUROPEAN NEWS DIGEST

MEPs angry over exclusion

Members of the European parliament yesterday threatened to take legal action against EU farm ministers for failing to involve the parliament in a decision on a compulsory beef labelling regime.

Ministers agreed this week that all beef would have to be labelled with the country of origin by the year 2000. The ministers rejected a Commission proposal that would have ensured parliamentary scrutiny of the proposed directive, opting instead to exclude MEPs. Mr Ken Collins, chairman of the environment committee, said the ministers had "learned nothing from the mad cow crisis. They have gone back to their bad old ways of taking decisions in secret".

MEPs called on Mr Jacques Santer, president of the Commission, to back the parliament's legal action. European Union officials said it was unclear how the parliament could mount a legal challenge as the ministers had the right to overturn a Commission proposal on a unanimous vote. *Caroline Southey, Brussels*

Go-ahead for telecoms deal

The European Commission has cleared an agreement between Europe's main telecommunications operators to provide high quality digital links between member states.

Known as the Global European Network, the agreement will considerably improve the quality of trans-European network telecoms services, according to Brussels. However, the Commission insisted on certain amendments to the deal to ensure free and fair access for third parties.

The agreement was signed by British Telecom, Deutsche Telekom, France Télécom, Telecom Italia and Telefónica de Espana. *Emma Tucker, Brussels*

Hungarian sell-off delayed

The partial privatisation of the core Hungarian electricity company MVM is expected to be put back to next year, Mr Arpad Kovacs, chairman of the privatisation agency, said yesterday. MVM owns the national grid company and Paks, Hungary's sole nuclear power station, which generates more than 40 per cent of the country's electricity needs.

Mr Kovacs said several outstanding problems had to be solved before any decisions on privatisation could go ahead. These included regulations pertaining to the nuclear law, long-term electricity supply contracts, and technical losses caused by share swaps between state-owned companies at the time of privatisation.

The three coal-fired power stations which recently failed to find acceptable buyers in s tender would be sold separately, he said. *Kester Eddy, Budapest*

Ukraine receives $120m loan

The World Bank will lend Ukraine $120m to cover risk guarantees for foreign investors. The credit is aimed at attracting much needed foreign capital into Ukrainian industrial and agricultural production, according to the bank.

The Ukrainian government will use the money to pay for contracts guaranteeing foreign investors against risks linked with political and economic instability.

Red tape, corruption and the slow pace of reforms have made many investors wary of Ukraine. Direct foreign investment has totalled only $1.4bn since it gained independence from the Soviet Union in 1991. *AP, Kiev*

Court raps Brussels' knuckles

The European Court of Justice yesterday accused the European Commission of trying to introduce legislation through the back door. Indicating that Brussels had acted beyond its powers, the court annulled a policy statement published by the Commission two years ago interpreting European Union treaty rules on the free movement of capital.

The Commission produced the "communication" after legislation aimed at reducing restrictions on pension fund investments was thrown out by the Council of Ministers, because some member states were worried about the effect on national pension investment rules. Brussels said that certain restrictions, such as a Belgian requirement that pension funds invest 15 per cent of their assets in government bonds, broke the rules on the free movement of capital.

The French asked the court to annul the communication, arguing that it had "new legal effects for member states".

The Commission said the court had not disagreed with its objective of creating a single market in pension funds and said it remained committed to the goal. It is examining the issue and hopes to produce a green paper over the next few months. *Emma Tucker, Brussels*

Armenia names new PM

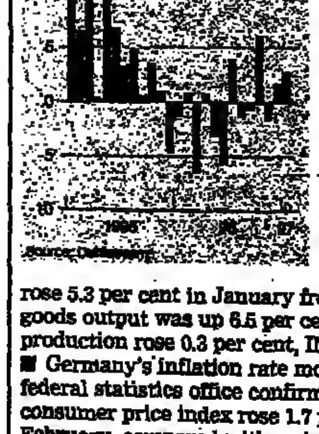
Armenia's President Levon Ter-Petrosian yesterday appointed the leader of the disputed Nagorno-Karabakh enclave as the country's next prime minister.

Mr Ter-Petrosian accepted the resignation of Mr Armen Sarkisian, who said early this month he wanted to step down because of poor health. Mr Sarkisian will be replaced by Mr Robert Kocharian, president of the Nagorno-Karabakh enclave since 1994.

The enclave is a mountainous territory located inside Azerbaijan populated mostly by Armenians and has been the focus of a bitter feud between the two countries since 1988. A truce signed in 1994 ended a war that killed 15,000 people, but peace negotiations have stalled. News of Mr Kocharian's appointment was greeted with anger by Mr Araz Azimov, Azerbaijan's deputy foreign minister, who called the appointment a "provocation". *AP, Yerevan*

ECONOMIC WATCH

Spanish industry output up



Spain's industrial output rose 2.9 per cent in January from a year earlier and compared with a 1.8 per cent rise in December, the National Statistics Institute (INE) said yesterday. INE said energy production rose 1.7 per cent in January from a year earlier, while minerals and chemicals fell 3.6 per cent. It said metallurgy and precision tools production increased 4.4 per cent in January year-on-year, while other manufacturing output climbed 6.6 per cent.

Consumer goods output rose 5.3 per cent in January from a year earlier, while goods output was up 6.5 per cent. Intermediary goods production rose 0.3 per cent, INE said. *AFX, Madrid*

■ Germany's inflation rate moderated last month, the federal statistics office confirmed yesterday. The consumer price index rose 1.7 per cent in the year to February, compared with a rise of 1.8 per cent in the year to January. Higher energy costs provided mnch of the upward pressure.

■ Norway's March unemployment rate fell to 3.8 per cent of the workforce from 4.3 per cent the same month s year earlier, the labour directorate said yesterday.

Netanyahu in fresh challenge to Arafat

By Judy Dempsey in Jerusalem

Mr Benjamin Netanyahu, the Israeli prime minister, has proposed completing within six months the final status talks on its future borders, in a move which would undermine the 1995 Oslo interim peace accords and further diminish the Palestinians' alraady weak negotiating position.

The proposals, discussed with King Hussein of Jordan last Sunday, were dismissed by Mr Ahmed Tibi, an adviser to Mr Yassir Arafat, president of the Palestinian Authority. He described Mr Netanyahu's proposals as "a publicity stunt".

He said: "This is a strategic proposal whose aim is to wipe out the Interim Agreement completely."

The Netanyahu plan entails moving directly to the final status talks, which will focus on Israel'e future borders, the Jewish settlements in the West Bank, the fate of over 4m Palestinian refugees and the dispnted status of Jerusalem.

These talks should have started last Monday and were due to last until May 1999, by when the 1995 Interim Agreement, ceding control of most of the West Bank to the Palestinians, was to have heen fully implemented.

They were postponed when Palestinians said it was impossible to enter such talks as Israel began building a new Jewish settlement at Har Homa in east Jerusalem. This will cut off Arab sections of the city from Palestinian-controlled areas of the West Bank.

Yesterday Israeli troops fired teargas and rubber bullets on Palestinian students from nearby Bethlehem protesting against the project.

Tha Interim Agreement is a vital bridge to the final status talks. It is designed to sow trust and confidence between both sides. More significantly, it is constructed in a such a way that on completion of the three Israeli troop pullbacks from the West Bank next year, Palestinians will have sufficient land to underpin an eventual Palestinian state.

But since Mr Netanyahu came to power last May, there was very little progress on implementing the accord. After a long delay, Israeli troops pulled out of most of the West Bank city of Hebron in January.

The first of the three troop withdrawals took place earlier this month, but Israel handed over a very small amount of land to the Palestinians, an omen which bodes ill for the amount of territory to be returned in the remaining withdrawals.

Nor has there heen progress on establishing a corridor between the Palestinian-ruled areas of the West Bank and Gaza – crucial for Gaza's economic survival. That, and attempts to open an airport and port in Gaza and the release of all the remaining political prisoners, has become bogged down with Israel's concern over the security arrangements.

Unwilling to continue with these negotiatlons – although Mr Netanyahn has said he would return to them if the final status talks fail – he has opted for bundling the Interim Agreement into those talks.

Bnt in reality, the final status talks started when Israeli hulldozers ploughed up the hill to Har Homa last Tuesday.

As Mr Saeb Erekat, the Palestinian chief negotiator said at the time: "Israel was dictating the peace agenda."

In trying to push the final status talks to the top of the agenda, Mr Netanyahu has set out to achieve two goals. He wants to placate his nationalist and far right coalition partners who never wanted to return land to the Palestinians.

More importantly, he wants to keep almost all the bargaining chips which would have been greatly reduced if the government bad implemented the Interim Agreement.

Palestinian students protesting at the Har Homa housing project in east Jerusalem jump to avoid teargas canisters fired by the Israeli army yesterday. Reuter

Conversely, the Palestinians will be left with no bargaining chips on entering final status talks as Israeli troops maintain a stranglehold over the West Bank.

Mr Ehud Barak, the leading contender for the opposition Labour party leadership race, said the Netanyahn plan was a recipe for violence. "The whole logic of the Oslo process was a logic of gradualism in which both leaderships led together. In recent months, Netanyahn has destroyed all the trust. I fear [this proposal] may lead to violence," he warned.

For Mr Arafat, any thought of selling such a plan to his supporters – having been denied the components of the Interim Agreement to galvanise his negotiating before the start of the final status talks – may prove the greatest choice he faces since signing Oslo.

Arab states may hold summit on peace process

By Mark Huband in Cairo

Arab states may hold an emergency summit to discuss the worsening crisis in the Middle East peace process, which several regional leaders said yesterday was on the verge of collapse.

Condemnation of Israel's insistence on going ahead with building a new Jewish settlement in east Jerusalem was matched by Arab incredulity at a suggestion by Mr Benjamin Netanyahn, Israel's prime minister, that talks on the final status of Jerusalem be completed within six months, two years ahead of schedule.

Mr Farouq al-Shara, Syrian foreign minister, said in Cairo after meeting Mr Hosni Mnbarak, Egypt's president, that a summit was being discussed and Arab states were moving towards freezing normalisation of relations with Israel.

President Mnbarak also met Mr Rafiq al-Hariri, Lebanese prime minister, Mr Yassir Arafat, president of the Palestinian Authority, and Mr Dore Gold, Mr Netanyahu's foreign policy adviser.

Arab anger has yet to produce a unified strategy to confront the Israeli government's refusal to heed regional criticism of moves which Arab leaders insist will erupt into violence in the Palestinian territories.

"Building the settlement in east Jerusalem is tangible proof that Netanyahn is not thinking of the peace process, but of provoking the Arabs and the whole world," Mr Shara said.

Mr Gold said he had been sent to inform Mr Mubarak of the proposal to complete talks on the final status of Jerusalem within the coming six months rather than by May 1999 as specified in the 1993 Oslo accords between Israel and the Palestinians.

The 1993 Declaration of Principles stated that talks would be held to decide on the status of the city, the entirety of which the Netanyahn government claims as Israel's capital, despite Palestinian claims to Arab east Jerusalem, where work on the Jewish settlement of Har Homa began this week.

Discussions on the city were due to open on March 17 but have been postponed due to the current crisis.

Egypt's pivotal role in maintaining contacts between Arabs and Israelis was last night coming under increasing strain, despite the presence in Cairo of key players in the crisis.

A senior Egyptian source said Mr Mubarak held two meetings with Mr Arafat, both before and after that with Mr Gold. "The qnestion of bringing forward tbe final status talks is not serious. It is to strengthen [Mr Netanyahn's] own hand, and keep him in control of the territory as be gets involved in issnes he can't solve," the source said.

"Meanwhile, Israel keeps hold of the land. It's against tbe logic of the interim agreement."

Paris prepares for evacuation from Zaire

By David Buchan in Paris

Preparing for the worst but still claiming hope of political compromise in Zaire, France yesterday laid plans for the evacuation or protection of its citizens in the central African nation with the dispatch of aircraft and extra troops to neighbouring Congo and Gabon.

The troop movement mirrored precautionary measures taken a day earlier by the US, with whom France is keen to act in step. Paris now seems to see joint diplomatic action with Washington as its best means both to deflect widespread criticism of its support for the eiling President Mobutu Sese Seko and to broker some compromise on the ground in Zaire.

If Mr Mohutu, who left his Monaco hospital on Wednesday, flies back to Zaire today, as his son has forecast, French officials bope he will provide the catalyst for talks with Mr Laurent Kahila, tbe rebel leader in control of eastern Zaire. They no longer expect Mr Mobutu to fill the power vacuum in Kinshasa, but feel he could use what remains of his authority to mandate talks with the rebels.

France says the international plan for simultaneous peace talks and ceasefire is the only option, as no rapid military solution is possible. It is a view shared by the US, whose top official on Africa, Mr George Moose, passed through Paris this week.

French officials say even Mr Kabila virtually conceded the military point when he said this week that his forces could not get to Kinshasa before June. They also argue that Zaireans do not want Mr Kabila acting as "another Mobutu" in trying to run so large a country from the centre, and therefore suggest some form of decentralised government could best emerge from negotiations.

While this vision of a "federal" Zaire may seem a rationalisation of the present chaos, French officials detect hopeful signs for a deal.

They point to the temporary truce that Mr Kahila has decreed around Kisangani, and to next week's Lomé cooference on Zaire sponsored by the United Nations and the Organisation of African Unity.

France hns chosen to stress US as much as UN or OAU support for its position because backing from Washington, which has made clear for some time its belief that the Mohutu era is over, belps mask Paris' tilt towards the Zairean leader.

France joined other western countries after 1993 in freezing relations with Mr Mobutu for having scrapped democratic reform, hut in 1995 a thaw set in when the Zairean president was invited privately to the Elysée. Worried about the steady run-down of Zaire, France appeared to return to its old penchant for a "strong man", even one who was seriously ill.

In fact, France has far less at stake economically than some western countries.

At FFr400m ($69.7m) last year, its trade with Zaire is less than a third of what it was in 1990, and far behind that of Belgium and the US.

Investments are minor, with some 30 companies operating in Zaire, although its expatriate population of 1,600 is second to that of Belgium, the former colonial power. French export credit has dried up. While Paris resumed some civil development aid in 1994, it obeys the general embargo on military equipment and training.

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and
IN THE MATTER OF
THE COMPANIES ACTS 1985
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NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated 12th March 1997 confirming the reduction of capital of the above-named Company from £500,000 to £100,000 and the cancellation of the Share Premium Account of the Company, and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act, were registered by the Registrar of Companies on 18th March 1997.

DATED the 21st day of March, 1997

Baugh Skerren
The City Law Partnership
One Dyers Buildings, London EC1N 2SX
Solicitors for the above-named Company

The Executive Board of Koninklijke BolsWessanen nv hereby announces to have received a statement as mentioned in the Major Holdings in Listed Companies in The Netherlands Disclosure Act. Further information regarding this statement pursuant to article 9, para 1 of the above-mentioned Act may be seen at the company offices, Prof. E.M. Meijerslaan 2, 1183 AV Amstelveen.

Amstelveen, December 17, 1996

INSOLVENCY ACT 1986

DON CONSTRUCTION CHEMICALS LIMITED

(IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN pursuant to Section 48 of the Insolvency Act 1986 that a Meeting of the unsecured Creditors of the above named Company will be held at Coopers & Lybrand, 1 East Parade, Sheffield S1 2ET on 2 April 1997 at 11.00am, for the purposes mentioned in Section 48 and 49 of the said Act.

Creditors whose claims are wholly secured are not entitled to attend or be represented at the meeting. Other creditors are only entitled to vote if:-

a) they have given to the Administrative Receiver, not later than 12.00 hours on the business day before the day on which the meeting is to be held, details in writing of the debt that they claim to be due to them from the Company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and

b) there has been lodged with the Administrative Receiver any proxy which the creditor intends to be used on their behalf.

Dated March 18 1997

DAVID JOHN STOKES Administrative Receiver

NOTE Creditors of the Company requiring copies of the Administrative Receiver's report may obtain a free of charge, on written application to the Administrative Receiver at Coopers & Lybrand, 1 East Parade, Sheffield S1 2ET.

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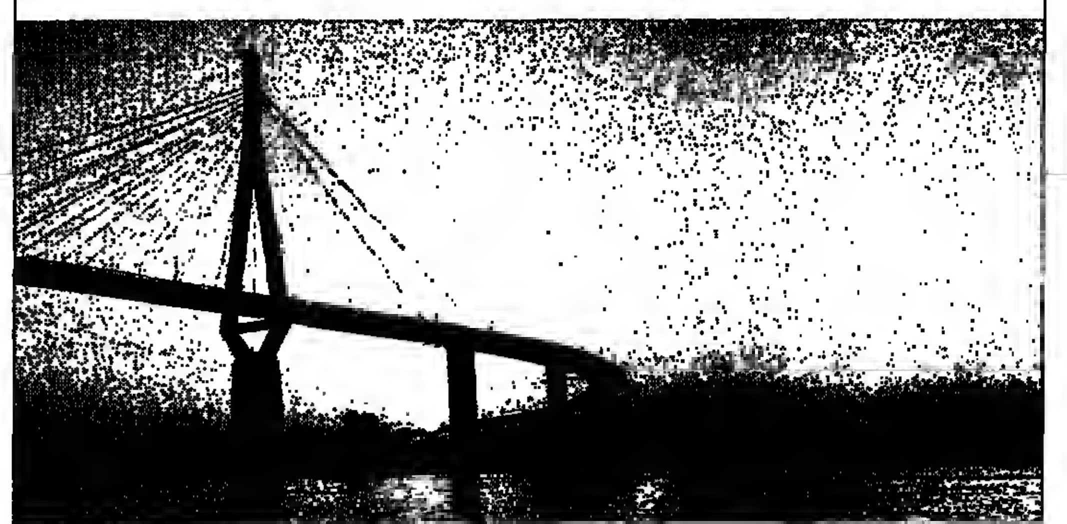

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Consumer industry growth 'leading to inventory build-up in factory warehouses'

Stockpiles disguise China's slowdown

By Tony Walker in Beijing

Unrestrained development in China's consumer industries has contributed to an inventory glut which accounts for 8 per cent of gross domestic product, according to Economic Daily, and has masked a slowdown in growth.

Stockpiles of goods in factory warebonses across China exceed Yn500bn ($60bn), the paper reports. There is little sign of inventories shrinking in spite of an easing of credit.

Economists estimate that economic growth would bave been 1-2 percentage points lower without tbe artificial build-up of inventories. China's GDP grew in 1996 at 9.8 per cent.

China's economy over the past two years has undergone a sharp deceleration in aggregate demand which has been accompanied by massiva inventory growth, roughly 40 per cent in real terms, four times GDP growth, according to a recent study by a western economist in Beijing.

"While a fast growing economy with China's distribution difficulties requires inventory build-up, the current inventory level is above its long-term average and epitomises the rigidity of the supply adjustment," the economist said.

"Many industrial commodities may never be sold because their quality does not meet market demand; grain stocks may perish."

The official China Daily yesterday described the inventory bulge as "staggering", saying: "A huge amount of human and natural resources is being wasted."

A rapid build-up of inventories following imposition of a credit squeeze in 1993 contributed last year to the state sector's worst losses since the 1949 revolution. "Illogical industry structure is affecting the nation's economy and frustrating its sustained and healthy development," said China Daily.

Chinese press reports identify a crisis facing industry, wbich has undergone extraordinarily rapid and, in many cases, haphazard development since China embarked on its "open door" reforms in the late 1970s.

China recorded 13 per cent industrial growth last year bnt this masked an extremely uneven performance. Mr Ma Jiantang, of tha State Economic and Trade Commission, says that half China's industry is operating at below 60 per cent capacity and in some cases at barely 10 per cent.

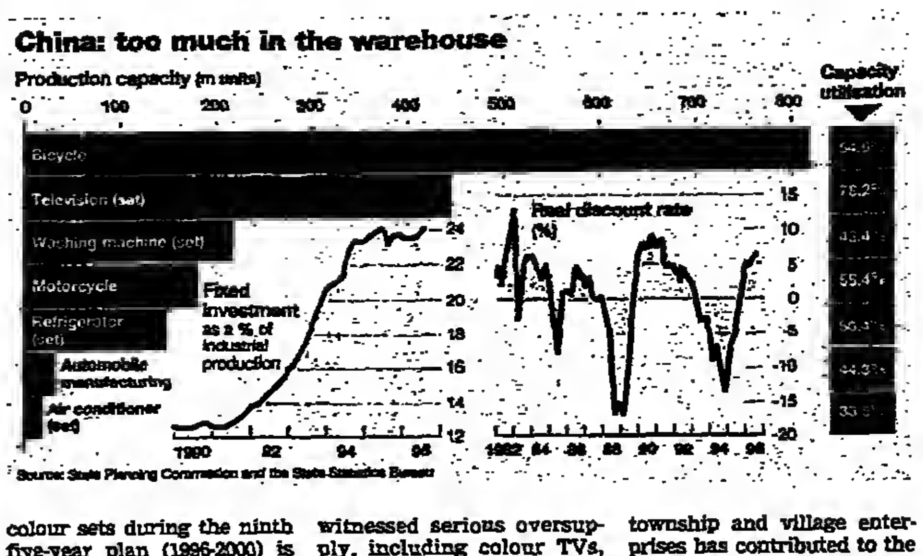
Among sectors which have experienced an explosive build-up in stocks is television production. In 1995, demand exceeded supply by 30-40 per cent. Demand for colour sets during the ninth five-year plan (1996-2000) is estimated at 70m-80m sets, or abont 15m a year against planned production of 20m sets a year.

The Ministry of Electronics Industry last month issned guidelines for production of 22 items which had witnessed serions oversupply, including colour TVs, personal computers, digital telephone switches and video compact discs.

The guidelines were aimed at weeding out smaller producers which have mushroomed, contributing to the chaos. The explosion of township and village enterprises has contributed to the oversupply in many sectors.

Professor Li Yiping, a professor of economics at the People's University in Beijing, says that government relnctance to allow bankruptcies was aggravating the problem.

China: too much in the warehouse



Source: State Planning Commission and the State Statistics Bureau

China keeps close watch on Dalai Lama's Taiwan visit

Taipei must handle the trip carefully, Laura Tyson writes

A Tibetan-style golden throne costing $37,000 has been made especially for the Dalai Lama's first visit to Taiwan. But the exiled Tibetan god-king is unlikely to spend much time warming its silk brocade cushions.

Ornately decorated witb Buddhist motifs, the throne is meant to show the religious nature of his six-day visit, starting tomorrow. But no one is fooled, least of all Beijing, whicb regards Taiwan as a rebel Chinese province and the Dalai Lama as a "splittist" seeking to divide China.

The visit comes at a sensitive time, for even as China prepares to regain sovereignty over Hong Kong it is troubled by restive constituents elsewbere in its empire.

Recent ethnic unrest in the remote north-western regioo of Xinjiang, whicb Beijing has suggested is fomented by hostile foreign forces, has put China on the defensive.

It is also Taipei's potentially most disruptive blow to relations across the Taiwan strait since Taiwan's President Lee Teng-bui visited the US in June 1995. If not handled carefully, it could provoke a fierce reactioo from Beijing.

Already there have been hints that Beijing may postpone the long-awaited start of direct cross-strait shipping links scheduled for early April.

Both Taipei and the Dalai Lama, who won the 1989 Nobel Peace Prize for his non-violent campaign for autonomy for his Himalayan homeland, are expected to take a cautious line for fear of provoking China. But the visit will be closely watched in Beijing and elsewhere for the tona of public statements.

The veteran campaigner for Tibetan self-rule is expected to address Taiwan's parliament and meet President Lee Teng-hui, a devout Methodist, as well as religious leaders around the island.

China bas attacked Mr Lee for "secretly seeking" Taiwanese independence while publicly espousing eventual unification. Mr Lee denies having an independence agenda, but says China must become democratic and prosperous before unification can take place.

Mr Qian Qichen, China's foreign minister, recently warned against activities aimed at "splitting the motherland", adding that the Tibetan leader's visit would "inevitably" have political purposes. "We hope the Taiwan authorities will adopt a prudent and wise attitude, refraining from any actions detrimental to the unification of the motherland and to ethnic unity," be added.

Beijing's fears of collaboration between Taipei and the Dalai Lama over the issue of self-datermination may seem to have some basis, if exaggerated. While Taiwan's governing Nationalist party and his bosts, the private Buddhist Association, insist the visit is "strictly spiritual", the political opposition is more outspoken

"The people of Taiwan and Tibet share a common inspiration – trying to escape the rule of the People's Republic of China," said Mr Shen Fu-hsiung, a legislator from the opposition Democratic Progressive Party (DPP), which advocates Taiwanese independence. "In this regard, Taiwan is in better shape than Tibet. But strangely, we get much less sympathy from the international community."

The visit is a sign of a thaw in long frosty ties between the Tibetan exile community and Taipei, which claims sovereignty over the Himalayan kingdom. While the claim has been played down in recent years, Taiwan's top official on China policy this week called the Dalai Lama a "citizen of the Republic of China [Taiwan]," sparking an outcry from opposition politicians and no doubt irritating the Tibetan leader himself.

This was clearly intended for Chinese consumption, in an attempt to reassure Beijing that Taipei still supports the concept of "one China" and is not bent on "splitting the motherland". But such remarks do not conceal the fact that Taipei's position on Tibet has moved away from the notion that Tibet is a part of a China based in Taipei to one of tacit sympathy for the cause of Tibetan independence.

The Dalai Lama has been living in exile in India since he fled there in 1959 after an abortive uprising against Communist rule. Beijing maintains Tibet has been part of China for centuries.


Kid gloves: the Dalai Lama's visit to Taiwan may provoke China Tony Andrews

Vietnam briefs Asean on row with Beijing

By Jeremy Grant in Hanoi

Vietnam yesterday called in ambassadors of the Association of South-east Asian Nations (Asean) for urgent talks, apparently to garner support in its dispute with Beijing over a Chinese oil rig drilling in disputed waters.

The move reflects deepening concern in Hanoi that China aims to carry out repeated pledges to assert its territorial claims in tbe Sontb Chioa Sea and to expand its search for oil and gas there.

Bnt it also represeots a test of will for Asean in its diplomatic manoeuvres with China, as well as in its dealings with Vietnam, the grouping's newest member.

At the meeting, Mr Vu Khoan, Vietnam's deputy foreign minister in charge of Asean matters, spelled out his country's position, adding that Hanoi had invited "experts" from the Chinese side to come to Vietnam for talks. Beijing had not yet responded.

Hanoi says the rig is about 65 nautical miles off the Vietnamese coast in a prospect it calls Block 113, in its "exclusive economic zone". China insists its rig is operating in its territory.

However, Mr Khoan said no other immediate measures were planned.

Nor did Vietnam make any direct appeals to Asean for assistance, according to one Asean diplomat. He said: "They are cautious with China. Thsy were just explaining their position. But it seems to me they are very worried."

Asean – which groups Thailand, the Philippines, Brunei, Malaysia, Singapore and Indonesia – appears to be taking a cantious approach. Although the dispute clearly alarms its members, the row is restricted to China and Vietnam as the waters in question are not contested by other Asean states.

Tbere is pressure on Asean to show solidarity as there are fears that, if China wins the stand-off, it might be tempted to make similar moves further south. China contests ownership of the potentially oil-rich Spratly Islands witb most Asean members.

The Asean diplomat said: "It's a David and Goliath situation. But that doesn't mean we will stay out of this problem because it's a problem involving the whole South China Sea. We must stand together: all for one and one for all".

At the meeting, the six ambassadors were handed aerial photographs of the rig, the Kan Tan III, as well as a map purporting to show its position on the Vietnamese side of a mid-line between Vietnam and Hainan Island.

Mr Khoan told the meeting that China had inexplicably cancelled routine border talks on the Tonkin Gulf just weeks before Hanoi issued its complaint about the rig last week.

Vietnam's fears are fuelled by long-standing enmity with China; the two countries fought a border war in 1979.

However, purely commercial considerations are playing a part.

Yesterday, the Vietnamese foreign ministry said Vietnam had been condncting seismic surveys of the area around Block 113 since 1983 and would press ahead with full exploration "when necessary", either alone or with foreign help.

'Suicide' twist to saga over Indonesia gold

By Clay Harris in London and Manuela Saragosa in Jakarta

The geologist who helped discover what is claimed to be the world's largest gold deposit wrote a suicide note before plunging 800 feet, apparently to his death, from a helicopter, Indonesian police said yesterday.

The mysterious disappearance of Mr Michael de Guzman, whose body has not been found, has added a twist to the saga surrounding the Busang gold deposit in the province of East Kalimantan on the island of Borneo.

The deposit, discovered by Bre-X Minerals, a Canadian exploration company, was the subject of a long battle for control involving international mining companies and members of Indonesian President Suharto's family.

It was settled last month when Bre-X agreed to cut its stake in Busang from 90 per cent to 45 per cent. Of the rest, 10 per cent will be owned by the Indonesian government and 30 per cent by two Indonesian companies controlled by Mr Mohamad Hasan, a confidant of Mr Suharto.

The remaining 15 per cent will be owned by Freeport-McMoran Copper & Gold, the New Orleans-based mining group which will develop the mine.

It is due to begin operation in 2000.

A team of Freeport engineers is currently at the Busang site conducting "due diligence", including testing of the ore body, ahead of signing a final agreement. Bre-X and Freeport said yesterday they believed this would be achieved on schedule by the end of March.

Bre-X last officially estimated Busang's reserves at 71m ounces. A new figure is expected in April. however and Mr John Felderhof senior vice-president for exploration, told analysts last month that he was "comfortable" with an estimate of 200m ounces.

Bre-X said Mr Felderhof who has a home in Grand Cayman, was travelling back to Indonesia yesterday.

Mr de Guzman disappeared during what was to have been a one-hour flight to the site of the Busang deposit.

Police at Kutai near Samarinda, where the helicopter took off, described his plunge as suicide.

He had opened the back door of the Alouette 3 helicopter and apparently jumped out.

Police said they found a letter in his bag in which the 40-year-old Philippines-born geologist, who had suffered from malaria, said he was "giving up" on life because of disease.

ASIA-PACIFIC NEWS DIGEST

Singapore's exports fall

Persistent weak global demand for electronics pusbed Singapore's non-oil exports into a 7.9 per cent year-on-year decline in February. The decline in exports to S$5.5bn (US$3.8bn) was the fourth successive monthly fall. The news drove the Singapore dollar to an 18-month low of S$1.4460 against the US dollar and the Straits Times Industrials stock market index lost 1.2 per cent.

The decline undermined bopes that the economy was emerging from the downturn of the second half of last year. Electronics make up nearly 70 per cent of non-oil exports. Particularly unsettling was the news that exports of disk drives, a mainstay for the economy, had recorded a first monthly fall since 1994.

Some economists revised downward their forecasts for gross domestic product growth in the first quarter, with many seeing a growth rate of less than 5 per cent. The government has forecast 5 to 7 per cent growth this year. *James Kynge, Kuala Lumpur*

Indonesia growth slows

Indonesia's gross domestic product grew 7.82 per cent in 1996, in line with expectations that slower growth in domestic consumption last year would cause the economy's expansion to dip in comparison with 1995 figures. Mr Ginandjar Kartasasmita, minister for planning and development, said last year's GDP growth compared with 8.21 per cent in 1995. *Manuela Saragosa, Jakarta*

N Korea economy shrinks

The North Korean economy shrank for a seventh consecutive year with a decline of 3 per cent in 1996 against 4.6 per cent in 1995, according to an estimate yesterday by South Korea's unification ministry.

Shortages in food, energy and raw materials, compounded by floods and other natural disasters, have resulted in an average annual decline in economic growth of 4.3 per cent since 1990.

Total trade volume fell by 7.3 per cent to $1.9bn, with North Korea running a trade deficit of $620m. Food production dropped to 3.69m tonnes from 4.14m tonnes in 1995 because of damage to agricultural lands caused by heavy floods in 1995 and 1996. *John Burton, Seoul*

S Australia seeks workers

The state of South Australia has launched an aggressive policy of encouraging immigration to counter a skills shortage provoked by success at attracting investment in the information technology sector. Mr Sev Ozdowski, a senior official responsible for immigration, said companies like EDS, which was enticed to South Australia by a contract to carry out processing work for the state government, were unable to recruit enough skilled local labour. The UK traditionally provided the largest quota of immigrants to South Australia, but the state was also taking its campaign to eastern Europe and Asia. *Peter Montagnon, London*

Patten hails visa decision

Mr Chris Patten, Hong Kong's governor, yesterday welcomed Canada's decision to grant visa-free access to holders of the territory's post-colonial passports and urged other countries to follow its lead. Visa-free access for holders of the new Special Administrative Region (SAR) passports is considered important to ease travel and to support Hong Kong as an international trade and financial centre. *John Ridding, Hong Kong*

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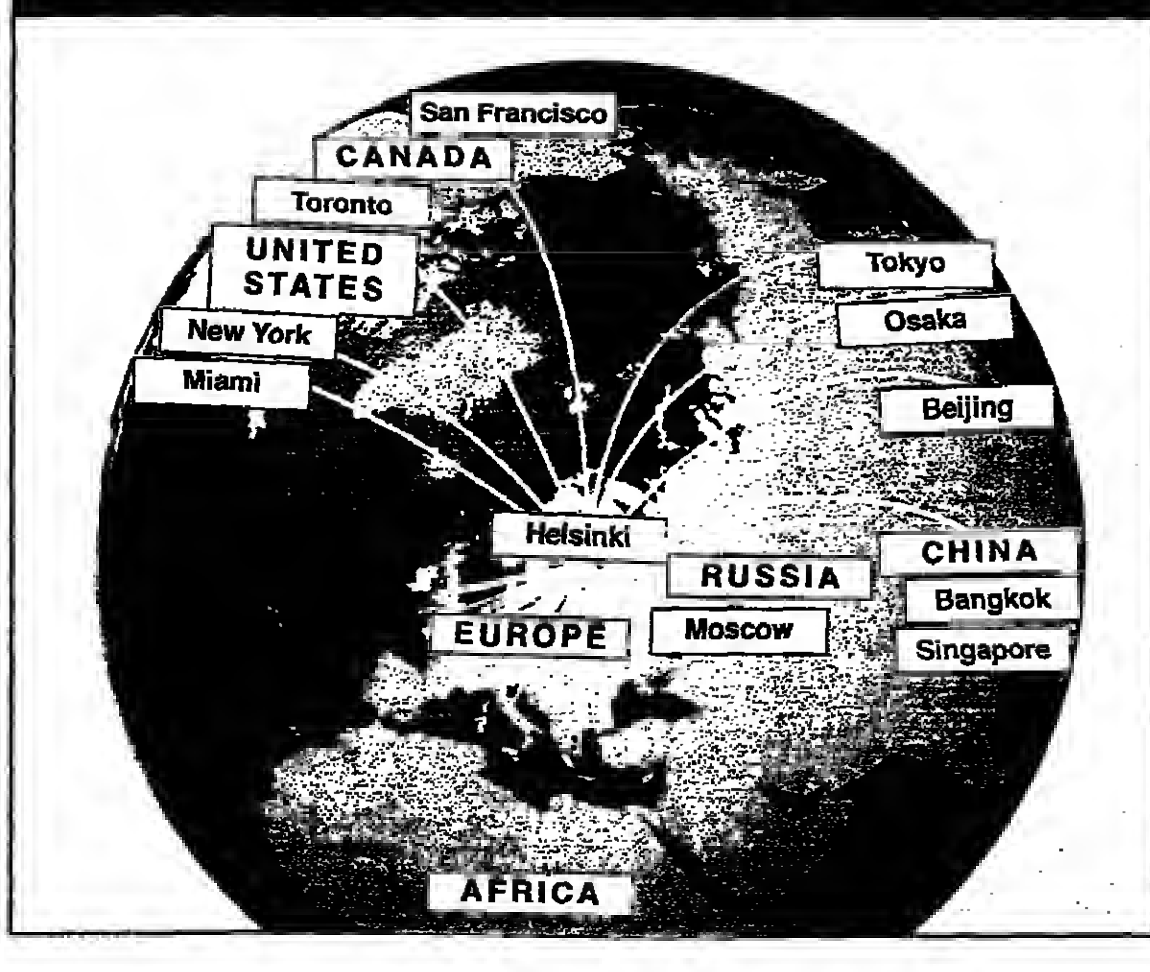

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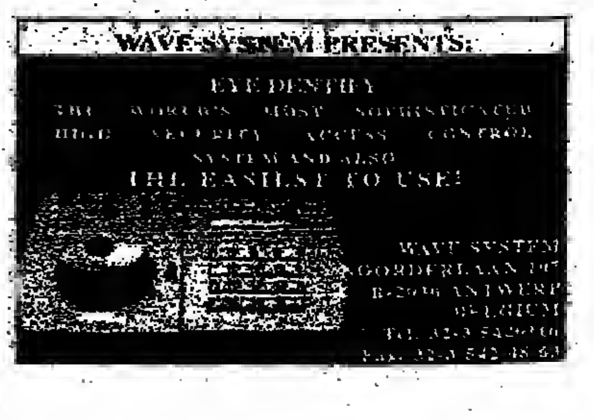

هكذا من الاصل

"Japan, Inc. has no magic management system. There is simply no substitute for a conscientious work force."
KAZUO INAMORI, founder of Kyocera
KYOCERA

FINANCIAL TIMES
COMPANIES & MARKETS
Friday March 21 1997 Week 12

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IN BRIEF

Cigna to form Brazilian alliance

Cigna, the US insurance group, and Banco Excel Económico, one of Brazil's biggest private banks, said thay would form a joint venture to offer insurance products in Brazil. The new company, Excel Cigna Seguradora, will have equity of R$20m (US$18.9m). Page 18

LVMH hit by Guinness shares sale
LVMH, the French luxury goods group, posted a 9 per cent fall in annual profits, partly blamed on this year's sale of a third of its stake in UK drinks group Guinness. Page 17

Saudi Aramco to take Portuguese stake
Saudi Aramco, the world's biggest oil producer, is to acquire a strategic holding of about 35 per cent in Petrogal, Portugal's state-controlled oil company. The alliance, Aramco's biggest investment in Europe, is partly aimed at the international expansion of Petrogal. Page 17

Motorola develops smart card arm
Motorola, the US electronics group, has set up a business unit to focus on the fast-growing global market for smart cards – devices which look like conventional plastic credit cards but which contain an embedded microprocessor. Page 18

Crédit Lyonnais posts FFr202m profit
Crédit Lyonnais, the French state-owned banking group, reported net income of FFr202m ($35.6m) for 1996 after barely breaking even in the previous year, and predicted a substantial jump in profits for 1997. Page 19

Life insurer aims for higher windfall
Norwich Union, the UK life insurer, said it aimed to give its 2.9m policyholders a higher-than-expected average windfall of more than £1,000 ($1,590) as it announced details of its £5bn public offering this summer. Page 20

British-Borneo set to double costs
British-Borneo Petroleum Syndicate, the fast-growing UK oil independent, is set to almost double its expenditure on exploration and development to £175m ($278.3m) this year. Page 20

Argentina plans smelter
Argentina – where a mining industry is building up rapidly from virtually nothing – wants its own copper smelter and gold refinery. The Ministry of Industry and Commerce said mining companies in six countries had expressed interest in the venture. Page 24

Companies in this issue

Market Statistics http://www.FT.com

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Bodenwerk	495	+	35
Falls			
Allianz	1300	–	48
Holzmann	521	–	13.50
Linde	1100	–	17
MAN	455	–	17.40
Veba	267	–	11.50
NEW YORK ($)			
Rises			
Best Buy	12¾	+	1¼
Cabletron Sys	30⅜	+	2⅛
Flores & Rucks	42½	+	3½
Falls			
Corr Cp	21	–	5⅞
Designer Hldgs	7¾	–	2⅝
Unisource	15⅛	–	4⅝
LONDON (Pence)			
Rises			
BLP Group	145	+	39
Telspec	227½	+	30
Falls			
Brixton Est	182	–	20½
Carlsbroke	70½	–	10
Stha Leisure	71¼	–	9
Volex Grp	250	–	70
TORONTO (C$)			
Rises			
Computer Md	3.25	+	0.50
Globex Mining	5.95	+	0.70
Moly Mt Gld	4.45	+	0.35

Purcell Engy	1.20	+	0.60
Falls			
Beacon Eye	5.30	–	0.80
City Dino	5.00	–	1.00
PARIS (FFr)			
Rises			
Canal Plus	1118	+	51
Falls			
Alcatel	857	–	29
BNP	239.30	–	10.70
Guilbert	1080	–	21
Imetal	870	–	53
Pathe	1421	–	48
HONG KONG (HK$)			
Rises			
HK Electric	27.40	+	0.60
Falls			
Cathay Pac	11.70	–	0.15
Hopewell	4.12	–	0.17
Jardine Intl	8.40	–	0.35
Shaw Brothers	6.30	–	0.15
Swire Pacific	56.75	–	3.50
BANGKOK (Baht)			
Rises			
Minor Corp	27.25	+	2.25
Regional Cont	234.00	+	20.00
Rojana	150.00	+	13.00
United Motor	68.50	+	6.00
Falls			
Alphatec El	162.00	–	18.00
Ayudhya Life	58.50	–	6.50

New York & Toronto prices at 12.30. Tokyo closed.

French carmaker opts to omit dividend amid protests over factory closure

Renault unveils loss of $900m

By David Owen in Paris

Renault has decided to omit its dividend after reporting a swingeing 1896 loss of FFr5.2bn ($900m).

The struggling French carmaker made the disclosure at a news conference at its Boulogne-Billancourt headquarters near Paris, as workers protested at the company's plans to close its Belgian car factory with the loss of 3,100 jobs.

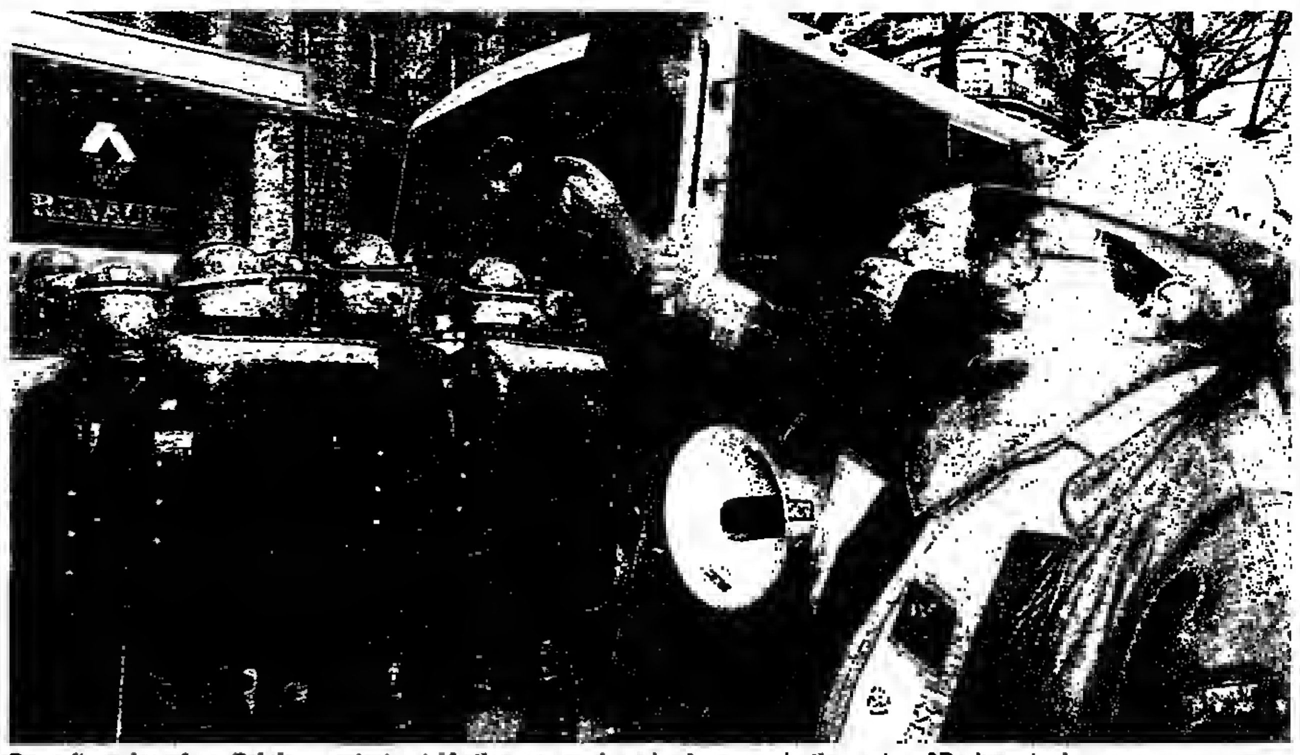
The most serious incident came at Wavrin, near Lille in northern France, where police fired tear gas after being stoned by some 400 workers from the condemned Vilvoorde plant.

Meanwhile, in Paris about 100 workers demonstrated outside Renault's headquarters and police turned away a group who tried to enter the company's prestige showroom on the Champs Elysées.

Mr Louis Schweitzer, chairman, looking much more relaxed than recently, said Renault had decided it was not "timely" to pay a dividend while the company's current restructuring was in progress.

Last year, the group held its dividend at FFr3.50 a share, in spite of a 41 per cent decline in net profits to FFr2.14bn.

The planned closure of the Vilvoorde plant and other measures resulted in charges of FFr3.9bn, taking the company's operating loss to FFr5.99bn, against an operating profit of FFr1.26bn in 1995.



Renault workers from Belgium protest outside the company's main showroom in the centre of Paris yesterday Reuter

Within this figure, the core automobile division slumped to a loss of FFr6.55bn from a loss of FFr991m the previous year. Excluding restructuring costs, the unit's second half performance – a loss of FFr1.51bn – was little changed from the second half of 1995.

Commercial vehicles contributed a loss of FFr705m, after profits of FFr978m in 1995, reflecting unexpected pricing pressures in Europe and expenses incurred in upgrading engines to European pollution norms. The finance unit contributed virtually unchanged operating income of FFr1.26bn.

The Renault chairman confirmed that the automobile division's objective was to return to break-even this year "unless the trend in the French automobile market turns out to be more negative than currently anticipated by analysts". He expected French sales to decline by "about 10 per cent" from 1996.

By contrast, it would not be possible for commercial vehicles to secure a return to break-even this year and an acceleration of the unit's cost reduction campaign would accordingly be needed. On Vilvoorde, Mr Schweitzer said the closure decision would not have been taken if it were not "indispensable". The company's production facilities were "too dispersed".

No discussions were under way with parties that might be interested in taking over the Belgian plant.

Gitic offer takes HK investor interest to record

By Louise Lucas in Hong Kong

Investor enthusiasm for red chips – mainland-backed stocks listed in Hong Kong – reached a new high yesterday as subscriptions for the HK$105m ($13.5m) issue by Gitic Enterprises totalled more than HK$88bn.

The amount of money offered for shares in the marble and granite construction materials company is roughly equivalent to the market capitalisation of China Light and Power, the Hong Kong utility which is the market's eighth-biggest stock, and to one-sixth of the Exchange Fund, the territory's foreign reserve.

It is HK$6bn more than the market capitalisation of Citic Pacific, the Chinese government's flagship investment vehicle and arguably Hong Kong's premier red chip.

In spite of the massive amount of money frozen in the IPO, liquidity in the markets was little affected. The Hong Kong Monetary Authority, the territory's de facto central bank, injected only HK$37m into the money markets to underpin liquidity flows.

Gitic Enterprises' attraction, and the reason behind the record oversubscription, is that it is indirectly controlled by the Guangdong provincial government's investment arm, one of China's wealthiest provinces.

The issue is the latest in a series of heavily oversubscribed red-chip issues. It follows a similar IPO this month by Shum Yip, the investment vehicle of Shenzhen city, which was 430 times oversubscribed.

The success of the offerings reflects a belief that mainland-backed companies will prove money-spinners in the fast-growing Chinese economy.

Gitic will receive an immediately bankable sum of about HK$70m earned in interest on the application funds, and the fraction of applicants who receive shares can expect to see their investment increase three or fourfold when trading begins on Wednesday.

The issue is sponsored by ABN Amro Rothschild, an equity capital markets joint venture launched by the two European investment banks last July.

2,700 jobs to go in Mattel's takeover of Tyco

By Christopher Parkes in Los Angeles

Mattel's $755m takeover of Tyco Toys will cost an extra $275m in integration and restructuring charges, and 2,700 jobs – almost 10 per cent of the workforce – will go, the companies said yesterday.

The one-time pre-tax charge will be taken in the first quarter and the takeover will be completed on March 31.

No details were available of where the job losses would be,although Mattel said when the deal was announced last November that merger would allow integration of distribution and manufacturing.

Mattel, which employs 26,000, compared with Tyco's 2,200, has factories and offices in 36 countries. More than 40 per cent of revenues are generated outside the US.

Following yesterday's approval by the Federal Trade Commission Mattel said it would move swiftly to integrate Tyco and shake out its own product range.

The net result would be cost savings of $700m over the next five years, with about $60m of that coming later this year.

The restructuring plans Mattel has already announced, which focus production and marketing efforts on core brands such as Barbie dolls, Fisher-Price pre-school toys, Disney products and Hot Wheels cars, would account for $100m of the charge.

The balance is made up of the integration and merger costs of Tyco, which is best known for Matchbox toys and its Sesame Street franchise.

Ms Jill Barad, Mattel's chief executive, predicted earnings per share for 1997 of $1.65 to $1.70, before the charge, compared with $1.44 last year.

But she added that pre-charge earnings in the first quarter would range between 1 cent and 4 cents, compared with 11 cents last time.

Profits for the three months were hit by continued weakness in Europe, the dollar's strength and heavy inventory of Fisher-Price products carried over from last year.

Meanwhile, sales of Barbie and Hot Wheels lines had risen more than 20 per cent in comparison with the first quarter of 1996.

Company officials said no information was yet available on which products would be scrapped or sold off, but both groups have many secondary lines which do not lend themselves readily to Mattel's strong-brand policy.

Boost for Krupp-Thyssen talks

Top industrialists to mediate in attempt to create steel giant

By Peter Norman in Düsseldorf

The government of North Rhine Westphalia yesterday bolstered attempts by Krupp Hoesch and Thyssen to create a single large German steel company by naming two distinguished industrialists to serve as independent mediators in the negotiations between the two companies.

Shortly before the chief executives of Krupp and Thyssen began talks on pooling their steel interests, Mr Wolfgang Clement, the state's economics minister, announced that Mr Helmut Werner, former chairman of the Mercedes car company, and Mr Kurt Stähler, head of the German ironmasters' federation, had agreed to assist in the negotiations.

Shares in Thyssen and Krupp Hoesch rose sharply yesterday when trading resumed following a two-day suspension after the launch of a takeover bid by Krupp. Thyssen climbed DM29.60, or 8.6 per cent, to DM374.10 in late afternoon trading compared with Monday's close on IBIS, the electronic dealing network.

However, the shares had slipped from a high of about DM430 in unofficial, or grey, trading, over the past two days after Krupp announced it had put its bid on hold and the two sides were in talks on a joint steel venture. Krupp finished IBIS trading at DM42, or 15.5 per cent, higher at DM312.

Addressing the Düsseldorf parliament, Mr Clement said the state government expected the talks, which it brokered after Krupp's hostile bid for Thyssen, would be conducted "seriously, quickly and with a will to end confrontation and reach a co-operative solution".

On Wednesday, the two companies set an eight-day deadline to agree a merger of their steel interests: a project that has been the subject of discussion over the past 15 years.

Mr Clement said yesterday the talks were "condemned to succeed". He said he hoped the result would be a stronger and more modern industry in the region.

But he warned of changes: the creation of a German "Stahl AG" would cost jobs, although it would make others more secure.

In Dortmund, striking workers from the nearby Krupp Hoesch steel plant and demonstrators from Thyssen plants on the Rhine marched through the city. They demanded that there should be no compulsory redundancies if a single steel company was agreed in the talks.

Such a demand, echoed by Mr Klaus Matthiesen, leader of Social Democrat MPs in the Düsseldorf parliament, could cause problems for the talks on a steel merger. One of the aims of Krupp Hoesch's bid for Thyssen was to shed uneconomic capacity. Yesterday, Krupp stressed that if the steel talks failed to produce satisfactory results by Thursday, it would press on with its suspended bid for Thyssen.

Thyssen said it was determined to reach a solution in the talks and saw "good chances" of a balancing of interests between the two companies.

Mr Gerhard Cromme, the Krupp chief executive, and Mr Dieter Vogel, Thyssen chief executive, began their discussions at an undisclosed location yesterday.

Mr Werner left Mercedes in January in the wake of a restructuring of the Daimler-Benz group. The 60-year-old manager is considered to be one of Germany's most successful corporate bosses and has a reputation as a hard but fair negotiator.

Mr Stähler, 67, headed Preussag Stahl between 1984 and 1994 and was credited with making the company viable despite its unfavourable location close to the former East German border.

Banks feel wrath, Page 19

Merrill plans senior posts outside US

By Tracy Corrigan in New York

Merrill Lynch, the US-based investment bank and brokerage, yesterday announced it would create a few senior management positions outside the US as part of a reorganisation to reflect the growing importance of its overseas business. Responsibility for day-to-day operations will be devolved to five chief operating officers in charge of key regions.

"We are strengthening our international regional management structure to recognise both the substantial growth and future opportunity in our business activities outside the US," said Mr Daniel Tully, Merrill's chairman.

Merrill also elevated its international private client group, which will be classified from April 15 as one of the four business sectors representing the company's "key strategic growth priorities". It will be led by Mr Winthrop Smith, executiva vice-president, who will remain chairman of Merrill Lynch International.

"We are looking to expand and broaden the international private client business business in strategic markets," said Merrill. It is currently run as a private banking business, dealing only with high net worth clients.

The other three sectors are the US private client group, the domestic brokerage business with over 13,000 financial consultants; the corporate and institutional client group, made up of investment banking and trading operations; and asset management, which includes Merrill's mutual fund management business.

Merrill is the latest US investment bank to beef up its senior management in the fight for global financial services business. Morgan Stanley and Goldman Sachs have both created senior management positions this year.

Merrill is strengthening regional management. Mr Michael Marks, former chairman of Smith New Court, which Merrill acquired in 1995, will be chief operating officer for Europe, the Middle East and Africa, while Mr Kevan Watts, head of European investment banking, will hold the same post for Asia/Pacific. Mr Richard Fuscone, head of global debt markets, will cover for Latin America and Canada.

On their own account, Page 13

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Kohlberg drive on campaign finance

By Patti Waldmeir in Washington

Mr Jerry Kohlberg, founding partner of the Wall Street buyout firm Kohlberg Kravis Roberts, has launched a drive to recruit US business leaders to clean up America's controversial political party campaign finance system.

As the furore over campaign fund-raising has begun to spread from politicians to the US corporations which make the donations, business leaders are coming under increasing pressure to reconsider their role.

"It looks like government is for sale to the highest bidder," says Mr Kohlberg, who left KKR in 1987 after pioneering leveraged buyouts which made him one of the richest men in America. Now he plans to spend more than $1m a year fighting the campaign finance system, which he believes is undermining US democracy.

Corporations are finding themselves increasingly targeted in the fund-raising controversy because business donated the bulk of the "soft money" which made the 1996 election the costliest in history. Largely unregulated "soft money" donations are at the heart of the controversy. According to the Center for Responsive Politics, a campaign reform group, business donated 90 per cent of the $263.5m raised by the Democratic and Republican national committees.

Mr Kohlberg was himself a big donor to the Democratic party, especially in the 1988 election. He has spent over $250,000 on Democratic politics since then, including almost $25,000 in 1996.

"Conventional wisdom says business is part of the problem. We want to make it part of the solution," says an advertisement in the Wall Street Journal, paid for by Mr Kohlberg's Campaign Reform Project. "We cannot stand by and watch democracy put up for bid... From Main Street to Wall Street to Capitol Hill, we need your help in restoring our democracy."

Mr Kohlberg is also trying to muster public support behind reform, funding a drive to collect 1,776,000 signatures to urge congressional action to change the fund-raising system by the anniversary of American independence on July 4.

He has assembled a small group of corporate elders to back his effort in the business community. They include Mr Roy Vagelos, former chairman of Merck, Mr Richard Rosenberg, former chairman of BankAmerica, and Mr Thomas Murphy, former head of Capital Cities/ABC. But most are retired CEOs, and current business leaders have given little sign so far that they consider reform a priority.

The vast majority of US companies do not make donations, or maintain lobbying offices in legislative capitals. Some of those that do have begun to complain both about the expense, and about the increasingly aggressive tactics of fund-raisers. "The system is closer to extortion than to bribery," says one lobbyist, reacting to charges that corporations are able to buy policy and legislative decisions with campaign cash.

"They are sick of the system," says Mr Kohlberg, adding "even though in many ways they feel forced to participate in it." But many donors say they are not ready to be the first to stop giving – especially while labour unions remain big contributors (unions spent $35m on a Democratic advertising campaign in 1996). They say they will consider a reduction in the arms race - not what many call "unilateral disarmament".

Corporations may increasingly be asked to justify their political contributions in terms of duty to shareholders. But many of those involved seem unperturbed: and unless investors begin to press for reform Mr Kohlberg's campaign is likely to be slow to pick up steam.

US right calls for shower power

Leyla Boulton on new moves to repeal trail-blazing water conservation laws

While Washington has been consumed by a controversy over fund-raising, a little noticed battle has begun on Capitol Hill over the nation's toilets and showers.

Representative Joe Knollenberg, a Republican congressman from Michigan, has launched a crusade to repeal trail-blazing conservation laws which have restricted the amount of water used in new toilets and showers since 1992.

The US laws are being viewed as a possible model by other countries, such as Britain, which are considering similar mandatory plumbing standards to save water.

Mr Knollenberg claims that new "low-flow" toilets are "not doing the job" because "people often have to flush twice", and children are getting scalded because the shower restrictions make temperature changes slower.

His campaign coincides with the publication in Washington of a new report that warns: "Water supplies are dwindling in country after country because of wasteful water use, groundwater depletion [of underground supplies], and pollution while demand for water is way up."

It also comes just before a top-level meeting in Marrakesh this weekend to hammer out a United Nations charter of principles for sensible management of water as one of the world's most precious but wasted resources.

Water: down the drain

Use by continent (cubic kilometres per year)

	1950	1960	1970	1980	1990	2000
Asia	865	1,237	1,543	1,939	2,478	3,187
Latin America	59	65	85	111	150	216
Total	1,360	1,982	2,594	3,316	4,138	5,189

Source: International Food Policy Research Institute

The International Food Policy Research Institute says that, in the US alone, the equivalent of 10m acres is watered by pumping groundwater faster than underground supplies can be replenished.

Although the US has yet to face the immediate shortages looming in many developing countries, water experts worry that its profligacy is storing up problems for the future.

Behind Mr Knollenberg's call, however, lurks the deep-seated hostility, shared by much of the American right, to the federal government intervening in people's lives at all.

Mr Glen Haege, whose Ask the Handyman radio show is deluged with calls from frustrated toilet and shower users, expects a "tidal wave of applause" for Mr Knollenberg's proposal. Mr Haege, a Republican, also believes that "the government should get out of our toilets and showers".

The hope of popular support is prompting Mr Knollenberg to "try to build some grassroots support," says an aide, "not starting from the top down but bottom up".

The water industry and environmentalist movement, however, are already joining forces to defend the regulations. The American Water Works Association, which represents most US water utilities, has begun contacting congressmen to ensure the regulations are kept in place. It says the rules not only save water but keep consumer bills down by deferring the need to build new sewerage plants to handle extra consumption.

Ms Mary Ann Dickinson, of the Metropolitan Water District of Southern California, says any problems encountered by customers are due more to teething problems and a lack of guidance on which new models of toilet and shower nozzle work best. "Let's not throw the baby out with the bath water," says Ms Dickinson who also represents the AWWA's conservation division. "It would be a step backward."

Mr John Flowers, an Environmental Protection Agency official responsible for water conservation, said rescinding the regulations would have a "serious" detrimental effect on water conservation efforts.

Ms Dickinson says that with 60 per cent of water in southern California imported from as far as 450 miles away, its efficient use is already a "critical" issue for the state.

She says: "The time is right for individual states to enact additional laws stressing the need for more efficient use of water."

Ms Amy Vickers, a Massachusetts-based engineer and consultant, said that while some areas had made great strides in conservation, others, including parts of Florida, were "throwing away" water savings made thanks to the plumbing standards she helped design. "It's Disneyland down there," she said, referring to Florida's predilection for private swimming pools and overwatered green lawns which are not native to the state.

In contrast, the city of Albuquerque in New Mexico offers "landscape rebates" for local people who embrace local vegetation requiring less watering. New York City meanwhile has managed to defer the construction of new treatment plants with aggressive conservation measures including a $300m drive over the past two years to replace 1.3m old-style toilets with low-flow models. Mr Joel Miele, the city's commissioner for environmental protection, says the toilet replacement programme has helped cut the average household's water bill by up to $70 a year.

Cuba, Spain at odds after traffic accident

By Pascal Fletcher in Havana

A minor traffic accident involving a Spanish tourist in Havana has escalated into a row between the governments of Spain and Cuba, further straining relations already soured by a diplomatic quarrel in November.

In a furious response to Spanish criticism of Cuban police handling of the accident, in which a Cuban was injured, Cuba's foreign minister, Mr Roberto Robaina, yesterday called his Spanish counterpart, Mr Abel Matutes, a "liar and blackmailer" and accused him of meddling in Cuba's internal affairs.

Castro: asylum offer

Mr Robaina, using the kind of language normally reserved for Cuba's "imperialist" arch-enemy the US, rejected Mr Matutes' allegations that the Cuban authorities had unfairly detained the Spanish tourist, Mr Jesus Martin, after the March 1 traffic accident.

In comments to the Spanish media on Wednesday, the Spanish foreign minister had described the Cuban action as "intolerable" and had threatened to issue an official travel advisory warning Spanish nationals about the risks they faced in travelling to Cuba. Spain is Cuba's leading trade and investment partner in Europe and well over 100,000 Spanish tourists and businessmen visit the Communist-ruled island each year.

Mr Robaina described Mr Matutes' comments as "Yankee arrogance, Spanish-style" and said such remarks served the interests of Cuba's enemies.

The latest row was certain to strain relations already soured by a row in November when Cuba withdrew its formal approval for a newly-appointed Spanish ambassador to Havana. Cuba accused Spain's conservative government of meddling in its affairs following persistent public criticism by Madrid of Cuba's one-party communist system.

Both sides had sought to smooth over the November dispute, although the Cubans were also angered by the cancellation by Spain for "technical reasons" of a $15m (£9.4m) line of official credit. Madrid has still not designated a replacement ambassador to Havana.

● Mr Masahiko Komura, Japan's deputy foreign minister, has met Mr Castro to express Japan's support for a Cuban offer of asylum for leftwing Peruvian rebels who are holding 72 hostages, including 24 Japanese nationals, in Lima.

Mr Komura requested that Cuba act as an asylum destination for the rebels, who seized the hostages at the Japanese ambassador's residence in Lima on December 17. The guerrillas are demanding the release of more than 400 comrades jailed in Peru.

Mr Castro had earlier offered asylum to the rebels. But he asked that all parties involved – the Peruvian and Japanese governments, international guarantors and the rebels themselves – formally seek such a move.

The Cuban leader is clearly anxious his initiative should not be interpreted internationally as a gesture of support for the Marxist MRTA rebels. Officials stress that Cuba's interest in this case is purely humanitarian and that Havana will not be acting as a mediator.

Deep divisions over deregulating US electricity

By Leyla Boulton in Washington

Politicians, industry executives, and regulators yesterday aired deep differences over how to proceed with deregulation of the US electricity market.

At three separate conferences in Washington, the main dispute was whether the government should be able to dictate a deadline and terms for deregulation, which has begun faster in some states than in others.

Most heads of state regulatory bodies attending a workshop organised by the Senate energy committee expressed a preference for loose federal guidelines rather than a binding federal mandate.

Some states, such as California and New Hampshire, are afraid federal regulations will interfere with what they have already done to introduce competition and drive down prices, while others want to proceed at their own pace.

However, Mr John Quain, chairman of the Pennsylvania Public Utility Commission, called for a federal deadline as the best way to push states to move faster, saying the mere threat of federal legislation had already had a great impact in getting them to think about deregulation moves.

His views were endorsed by a group of eight private-sector utilities which called for legislation requiring states to introduce full retail competition by 2000.

They were speaking a day after the Edison Electric Institute, which represents most private sector utilities, issued guidelines cautioning against radical federal legislation.

All the private utility chiefs in the capital yesterday agreed however that municipally-owned utilities needed to be subject to competition requirements similar to those expected from the private sector.

Meanwhile, members of the Federal Energy Regulatory Commission, which polices the industry, stepped into the debate by spelling out an agenda for the minimum federal regulation they believed was necessary for competition to deliver maximum benefits.

Ms Elizabeth Moler, who heads the Commission, said Congress should direct states to consider retail competition with opt-out rights if necessary. It should also allow utilities to set prices at such a level as to enable them to recover "prudently incurred" stranded costs. Stranded costs are past investments, especially in nuclear power, which were guided by public policy and might not have been made in conditions of free competition.

Mr Don Santa, a fellow commissioner, said however that although a federal deadline would be the most efficient route to giving consumers a choice of electricity retailers, retail competition was "inevitable" whatever Congress did.

Brazilians plan to build up export financing

By Geoff Dyer in São Paulo

Brazil's National Development Bank (BNDES) plans to build up an export financing institution with a portfolio of loans worth several billion dollars, according to the bank's president.

Mr Luiz Carlos Mendonça de Barros said that within a few years the bank would have an export financing division equivalent to the US Eximbank or the Japanese Export-Import bank.

The recognition of the need for the BNDES to play a substantial role in boosting exports reflects the Brazilian government's concern about the country's growing trade deficit, which reached $5.54bn in 1996 and is expected to be at least $8bn this year.

"It is not a matter of subsidising Brazilian companies, but they need better trade financing in order to be able to sell products in competitive markets," Mr Mendonça de Barros said.

He added: "There is no limit to the size of portfolio we might have. It could be worth three, four or five billion dollars."

Brazil has never had a government institution dedicated to financing trade, although the BNDES has for a number of years provided some credits to exporters. The BNDES will still retain all its existing functions, which include development lending and managing Brazil's privatisation programme.

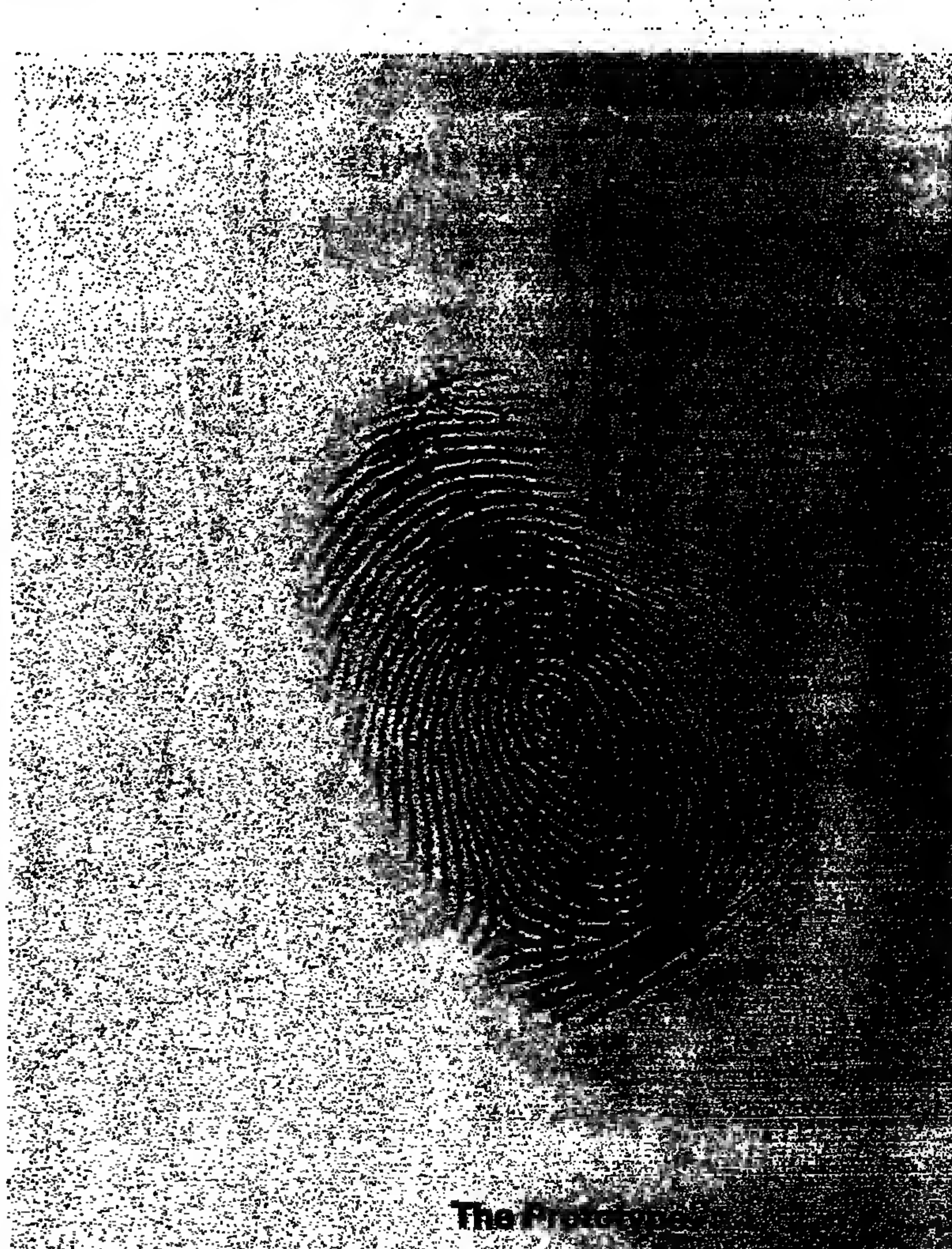
Mr Mendonça de Barros said the BNDES was hiring a team of bankers and lawyers with experience in trade financing and had sent a group of observers to the Japanese Export-Import Bank. "It is a brand new task for the bank and we are still analysing a number of instruments," he said.

Since the start of the year the BNDES has begun to take a more active role in export financing. In the areas where it does provide funds, it has increased the credits available to exporters from 85 per cent to 100 per cent of the value of the goods being exported and has reduced the financing cost.

The government has also introduced a number of other initiatives to increase exports, including scrapping the value-added tax on exports of raw materials and semi-processed goods.

Economists agree with government officials that the trade deficit does not pose an immediate threat to the government's exchange rate policy, which has been the centrepiece of its anti-inflationary strategy.

However, there is a growing view among economists that the growth in imports will force the government to take steps to reduce domestic demand, for instance by increasing restrictions on consumer credit.



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Bahamas opposition leader to quit

By Canute James in Kingston

Sir Lynden Pindling, who was the prime minister of the Bahamas for 25 years until 1992, is to step down as leader of the opposition Progressive Liberal party. The party lost heavily in a general election a week ago to the Free National Movement of Mr Hubert Ingraham, the prime minister. In taking 34 of the 40 seats, the FNM handed the PLP its second consecutive defeat.

"I have begun consultations with my colleagues to effect as smooth and effective a transition in leadership as possible," said Sir Lynden. Mr Bernard Nottage, a deputy leader of the PLP, is favoured to replace him.

Sir Lynden's announcement came a day after Mr Ingraham was sworn in for a second consecutive term as prime minister of the former British colony of 250,000 people. Mr Ingraham, who campaigned on his government's record of stimulating economic growth after several years of contraction, has said he will retire at the end of his new term, and will introduce legislation to limit prime ministers to two terms.

Mr Ingraham has promised to continue his economic policies of privatising state enterprises, and will offer the telecommunications and power companies and the national airline for sale. He says he will also improve tourism and offshore financial services, the pillars of the Bahamas economy.

● The ruling United Bermuda party will elect a new leader next week to replace Mr David Saul, who resigned on Wednesday as the premier of the British colony of Bermuda. Front-runners to succeed him are thought to be Mr Jerome Dill, the deputy premier and education minister, and Ms Pamela Gordon, the environment minister.

Mr Saul's resignation after 18 months as premier was unexpected. He said he was "satisfied that now is the right time to step down and to move on to yet another chapter of my life".

Government policy on the offshore financial sector is not expected to be affected.

LVMH hit by sale of Guinness shares

By David Owen in Paris

LVMH, the French luxury goods group, yesterday reported a 9 per cent decline in annual profits, partly blamed on this year's sale of a third of its stake in UK drinks group Guinness.

This was one of the main contributors to a FFr615m ($109.8m) charge for exceptional items that restricted last year's consolidated net income to FFr3.68bn, against FFr4.05bn in 1995.

Operating income also slipped, from FFr7.29bn to FFr7.02bn, with perfumes and beauty products the principal drag. The company is, nevertheless, to propose a net dividend of FFr20.40 a share – an increase of 6 per cent from 1995.

Yesterday's figures were unveiled a day after the company disclosed that it had abandoned its bid to acquire the outstanding shares held by a minority investor in DFS, one of the world's biggest duty free shopping chains. It paid FFr12.6bn for a 58.75 per cent stake in DFS last October and subsequently increased its interest to 61.25 per cent.

Mr Bernard Arnault, LVMH chairman, said the group had suspended negotiations with Mr Robert Miller, bolder of the remaining 38.75 per cent of DFS, after "multiple difficulties". He indicated LVMH might buy the remaining shares in future. "We thought there was no need to invest another FFr9bn to make this investment as profitable as possible," he said. The DFS acquisition would lift operating profit by close to 30 per cent from this year.

The shares ended the day down just FFr6, or 0.46 per cent, from the previous close of FFr1,310, after rising strongly in morning trading. This early rise was attributed to the group's decision to extend to 40 years the period over which goodwill on the DFS acquisition would be written down.

At the operating level, luggage and leather goods overtook perfumes and beauty products as the largest division in sales terms. It also generated the most income at FFr3.9bn, against FFr3.48bn in 1995.

Mr Yves Carcelle, chairman of Louis Vuitton Malletier, said the unit was planning to braneb out into footwear. Mr Marc Jaeobs, the US designer, had been engaged as artistic director.

Income from perfumes and beauty products fell sharply from FFr1.26bn to FFr592m, following a deliberate decision to pare back sales to non-selective distribution networks.

Income from cognac and spirits also fell, from FFr1.68bn to FFr1.56bn. Champagne and wlnes gained ground from FFr1.06bn to FFr1.25bn.

Guiness results Page 20

Dalborg looks to re-open talks

By Greg Mclvor in Stockholm

Mr Hans Dalborg, chief executiva of Nordbanken, the part-privatised Swedish bank, said yesterday he was keen to restart merger talks with its rival Skandinaviska Enskilda Banken, the financial linebpin of Sweden's Wallenbarg indnstrial empire.

Negotiations were broken off in February, apparently because of Wallenberg dissatisfaction with proposed management and operational structures.

Mr Dalborg's commants, made at the annual shareholders' meeting, failed to boost Nordbanken's shares. The stock tumbled almost 5 per cent after he hinted profits this year might not reach last year's record, though they rallied slightly in later trading to end the day down SKr9.50 at SKr257.

SE-Banken shares, which have been bnoyed by merger speculation in recent months, were unchanged.

Mr Dalborg's overture suggested Nordbanken had been encouraged by news this week that Mr Björn Svedberg, SE-Banken chief executive, is to be replaced by Mr Jacob Wallenberg, son of Mr Peter Wallenberg, the family's head.

Nordbanken had mulled a merger with other Swedish banks, Mr Dalborg said, but had concluded that only a tie-up with SE-Banken – a move which would create Sweden's biggest bank – was financially attractive.

Vereinsbank upbeat after year starts well

By Andrew Fisher in Munich

Bayerisebe Vereinsbank expects a further marked rise in profits this year after a strong start in the first two months, Mr Albreebt Schmidt, chairman, said yesterday.

He said the German bank was aiming at a pre-tax return on equity of at least 20 per cent against last year's 16.2 per cent, up from 15 per cent in 1995. The after-tax goal was at least 11 per cent compared with 8.6 per cent in 1996 and 7.1 per cent in 1995.

"I expect a substantial increase in the operating profit for 1997," he said. Last year, Vereinsbank lifted operating profits after risk provisions by 18 per cent to DM1.64bn ($975m), with net income 32 per cent higher at DM869m. Earnings per share advaneed from DM2.52 to DM2.83.

Mr Schmidt said performance in January and February was "excellent". Income from both mortgage and bank lending – Vereinsbank is Germany's biggest property financing bank – would rise this year. Profits would benefit from fees on DM9.3bn of property loans approved last year but not yet paid out, with a further DM4.7bn in the first three months of 1997.

Commission profits from advisory and securities business would not, bowever, match last year's high growth rates. Foreign trade financing should contribute to higber profits, while income from own-account financial trading ehould improve after a dip last year.

Cost increases would be held down. Total costs last year were 6 per cent higher, but this would have been 3 per cent without the costs of setting up Advance Bank, its new direct bank.

Investments were up 12 per cent, but labour costs rose only 2 per cent, the lowest for 20 years. Risk provisions eased 2.4 per cent to DM704m. Of this, loan loss provisions accounted for DM1.02bn (a 12 per cent rise), reflecting increased business in developing countries. Offsetting this were profits of DM318m on securities in its liquidity portfolio.

Mr Schmidt said foreign business accounted for 15 per cent of operating profits against 12 per cent in 1995. Vereinsbank planned to lift this share considerably.

Giving a sector breakdown for the first time, he said the bulk of operating profits came from retail banking (24 per cent), corporate finance (32 per cent) and treasury activities (31 per cent).

Overall, banking business made up 43 per cent of profits and low-risk mortgage business (ineluding local authority lending) 57 per cent.

Albrecht Schmidt: January and February were 'excellent'

Saudi Aramco to take Portuguese stake

By David White and Peter Wise in Lisbon

Saudi Aramco, the world's biggest oil producer, is to acquire a strategic holding of abont 35 per cent in Petrogal, Portugal's state-controlled oil company.

The alliance, Aramco's biggest investment in Europe, is aimed in part at the international expansion of Petrogal, which analysts value at about Es220bn ($1.3bn).

Mr Augusto Mateus, Portugal's economy minister, said yesterday the two companies, which began talking last July, were close to concluding a deal that would involve Aramco contributing to an increase in Petrogal's capital. The aim was to improve Petrogal's potential for profitability, he said.

Petrogal, Portugal's biggest company by sales, is 55 per cent state-owned. Petrocontrol, a group of eight individual and institutional Portuguese shareholders, have invested about Es80bn in acquiring the other 45 per cent.

Mr Mateus said a strategie alliance with Arameo, through the direct acquisition of a substantial stake in Petrogal, would provide badly-needed fresh capital and create a balanced new shareholder structure for the company.

Aramco would complement Petrogal's strength in refining with the capacity it lacked in oil production and distribution. This would help Petrogal expand its operations into southern Europe, Africa and Latin America.

Aramco made its first big European investment last year with the purchase of 50 per cent of Motor Oil Hellas, a Greek oil company, for $379m. It would pay about $450m for 35 per cent of Petrogal, if the company were valued at Es220bn.

Petrogal, which accounts for about 56 per cent of Portugal's oil produets market, also operates a distribution network in Spain and is beginning to establish operations in some of Portugal's former African colonies.

● Portugal plans an initial public offer of about 30 per cent of Electricidade de Portugal, the national power utility, later this year, Mr António Sousa Franco, the finance minister, said yesterday.

He expects about half of the offer, Portugal's biggest privatisation to date, to be sold to domestic retail investors and half to domestic and international institutions. But institutional demand through a book-building proeess would establish the exact balance.

EUROPEAN NEWS DIGEST

BMW profits up 18.5% for year

BMW, the German carmaker, registered an 18.5 per cent rise in net profits from DM692m to DM820m ($488m) last year, in line with market expectations. At the pre-tax level, profits climbed from DM1.4bn to DM1.7bn. The Munich-based group, which includes Rover of the UK, said it would raise the dividend from DM13.50 to DM15 for ordinary shares and from DM14.50 to DM16 for preference shares. The company, which bas been benefiting from strong demand for its new 5 Series and Z3 roadster, had previously reported record sales of DM52.3bn for 1996, up 13.3 per cent.

Sarah Althaus, Frankfurt

Grundig net loss narrows

Grundig, the German electronics company partly owned by Philips of the Netherlands, said yesterday its preliminary net loss narrowed from DM598m to DM553m ($329m) in 1996, in spite of a 5 per cent decline in sales from DM3.5bn to DM3.3bn. However, the operating loss widened from DM288m to DM382m, mainly because of price declines.

1996 was the last year that Philips was obliged to cover the German group's losses, under an agreement with the Grundig family shareholders. In January, Philips announced it was severing managerial ties with Grundig, in which it holds a 31.6 per cent stake, to stem the drain on its resources. Mr Christian Schwarz-Schilling, Grundig chairman, said yesterday that while the group was looking for new partners, it believed it could survive alone.

Sarah Althaus

Hachette blocked in Poland

The sale of Ruch, the Polisb state-owned newspaper distributor, to Hachette Distribution Services, a subsidiary of the French Lagardère group, has been blocked by a group of Polish companies led by Universal, the listed white goods trader. The move is likely to anger the Frencb government, which has lobbied hard for the sale. Ruch, with 17,000 sales outlets throughout the country, is Poland's main newspaper distributor. HDS had offered to pay $83m for a 75 per cent stake, and promised to invest $143m in the company over six years. It announced at the end of last year that it had elosed a purchase agreement.

This week, bowever, the state treasury annulled the tender, after HDS failed to raise its offer above the Universal-led group's $80m offer for a 40 per cent stake in Ruch. The treasury is now expected to announce a new tender for the company. HDS has said it will not bid.

Christopher Bobinski, Warsaw

Unibail edges ahead

Unibail, the French property group, yesterday reported net profit for 1996 up nearly 4 per eent at FFr275m ($48.5m), and a modest increase in tha value of its assets, reflecting sluggishness in its market. Net asset value per share, reassessed at the end of 1996, stood at FFr603, up from FFr601 a year ago.

Mr Léon Bressler, chairman, said that, after investing in large regional shopping centres, it had tidied up its commercial portfolio by selling smaller investments, and focused on developing office properties, which represented FFr927m of its FFr1.1bn investments last year. The group said it had increased the capital of its Crossroads Property Investors Investment Fund, whicb it launched last year, from FFr1.2bn to FFr1.6bn in view of the high level of demand.

Net capital gains were FFr26m last year, compared with FFr229m, and the charge for the depreciation of its property portfolio was almost unchanged at FFr210m. Retail rental income rose 3.3 per cent from FFr469m to FFr481m. Rental income for offices and light industrial properties rose from FFr296m to FFr310m.

Andrew Jack, Paris

Announcement

Sale of shares held by the State of North Rhine-Westphalia in Flughafen Düsseldorf GmbH

The State of North Rhine-Westphalia intends to sell its 50% share in Flughafen Düsseldorf GmbH (Düsseldorf Airport). For this purpose, the State Government has mandated INVESTITIONS-BANK NRW (IB), a central department of WestLB, with assessing the possibilities for selling the share to private investors and with assisting the State Government in making a decision.

Interested parties (individual parties or syndicates) are invited to lodge a written declaration of interest with respect to the acquisition of the State of North Rhine-Westphalia's share in Flughafen Düsseldorf GmbH with IB by no later than April 4, 1997. This written declaration of interest should also indicate the aims pursued in acquiring such a share as well as the interested party's qualifications in the light of the following requirements:

1. Experience and expertise in the planning, construction and operation of an international airport
2. Experience in planning and implementing large-scale projects
3. Long-term strategic interest in the development of Düsseldorf Airport
4. Credit-standing and financial resources

In cooperation with the state of North Rhine-Westphalia, the aforementioned criteria will be used to draw up a short-list of interested parties to whom an information memorandum will be sent against payment of a fee. Offers may then be lodged at short notice on the basis of the information memorandum and the conditions contained therein.

[illegible] interest should be sent to the following address:

[illegible]K NRW
[illegible] der WestLB
[illegible] 1, D-40474 Düsseldorf

[illegible] (+49) 211 826 2640, Fax (+49) 211 826 7691
[illegible] tel. (+49) 211 826 2516, Fax (+49) 211 826 8218

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 21.03.97: Pool purchase price £/MWh	Final Prices for Trading on 21.02.97: Pool purchase price £/MWh	Pool selling price £/MWh
0030	11.68	11.68	11.68
0100	15.03	12.10	13.80
0130	15.03	12.10	13.80
0200	15.03	12.10	13.80
0230	15.03	12.10	13.80
0300	15.03	12.10	13.80
0330	11.68	12.10	13.80
0400	11.68	11.67	11.67
0430	15.03	11.67	11.67
0500	11.68	11.67	11.67
0530	11.67	11.67	11.67
0600	11.67	11.66	11.66
0630	14.29	11.67	11.67
0700	14.29	11.67	11.67
0730	22.20	28.99	30.69
0800	22.20	28.98	30.69
0830	22.20	19.88	21.39
0900	27.00	20.77	22.47
0930	27.55	27.86	29.36
1000	36.58	37.38	39.08
1030	36.56	67.63	69.34
1100	101.16	67.63	69.34
1130	101.16	67.63	69.34
1200	27.55	27.86	29.36
1230	27.54	27.86	29.36
1300	27.54	27.86	29.36
1330	25.43	25.85	27.55
1400	25.43	21.30	23.00
1430	25.43	29.90	31.60
1500	22.20	29.90	31.60
1530	22.20	21.30	23.00
1600	22.20	21.30	23.00
1630	22.20	21.30	23.00
1700	22.20	21.30	23.00
1730	101.15	21.31	23.01
1800	101.15	50.77	52.48
1830	31.28	50.77	52.48
1900	36.04	50.77	52.47
1930	51.38	37.38	39.09
2000	51.37	29.93	31.63
2030	35.02	20.77	22.47
2100	27.74	19.41	21.11
2130	23.09	13.71	15.41
2200	22.20	11.92	13.62
2230	14.29	11.67	11.67
2300	14.29	11.55	11.66
2330	11.67	11.65	11.65
2400	11.67	11.61	11.61

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes 1.888p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreement which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0115 945 6789 between 8:30am and 5:15pm Monday to Friday.
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Exceptionals hit Jardine Matheson

By John Ridding
in Hong Kong

Jardine Matheson, the Hong Kong conglomerate, yesterday announced net profits of US$300.2m for last year, a fall of 29 per cent, as exceptional charges and setbacks at some of its main businesses took their toll.

Although the result was at the lower end of market estimates, the group said it was starting to benefit from restructuring involving provisions for its food activities in Australia and the UK and reforms at Jardine Fleming, the investment bank hit by a trading scandal last year.

Mr Alasdair Morrison, managing director, said: "We will begin to see the benefit in 1997, but the real benefits will come through in later years." Results this year will be boosted by a gain of US$130m from the sale of the group's stake in Jardine CMG Life, the insurer.

Exceptional gains and charges have obscured the group's trading performance in recent years. Stripping out non-recurring items, profits last year fell 6 per cent to US$356m. Sales rose from US$10.64bn to US$11.61bn.

About 75 per cent of profits came from Hong Kong and China, and Mr Morrison was confident operations would be unaffected by Hong Kong's return to Chinese sovereignty.

After setbacks in Europe – in particular its investment in Trafalgar House, the UK construction, shipping and engineering group now owned by Norway's Kvaerner – Jardine has strengthened its focus on Asia. "Asia has always been the largest contributor to profits, but in all our businesses there is a greater realisation that they need to become market leaders and to occupy the ground before our competitors can get established," Mr Morrison said.

The group's performance should be lifted, Jardine said, by recovery at some of its main operations. Dairy Farm, its retailing arm, is restructuring its Australian food division. Jardine Pacific has sold its loss-making insurance division and Sizzler restaurants.

Jardine Fleming has stemmed the outflow of funds after a trading scandal which brought a US$26m charge in 1996. The recent launch of a greater China fund brought in about US$270m. Positive performances in 1996 came from Mandarin Oriental, the group's hotels arm; JIB, the insurance operation; and Cycle & Carriage, the Singapore motor distributor.

A final dividend of 17.2 US cents a share took the year's total to an unchanged 25 cents.

● Mr Christopher Cowan, Jardine finance director, is to retire. He will be replaced by Mr Norman Lyle, general manager of finance at Zeneca, the UK drugs group.

Share repurchase scheme extended at Jardine Strategic

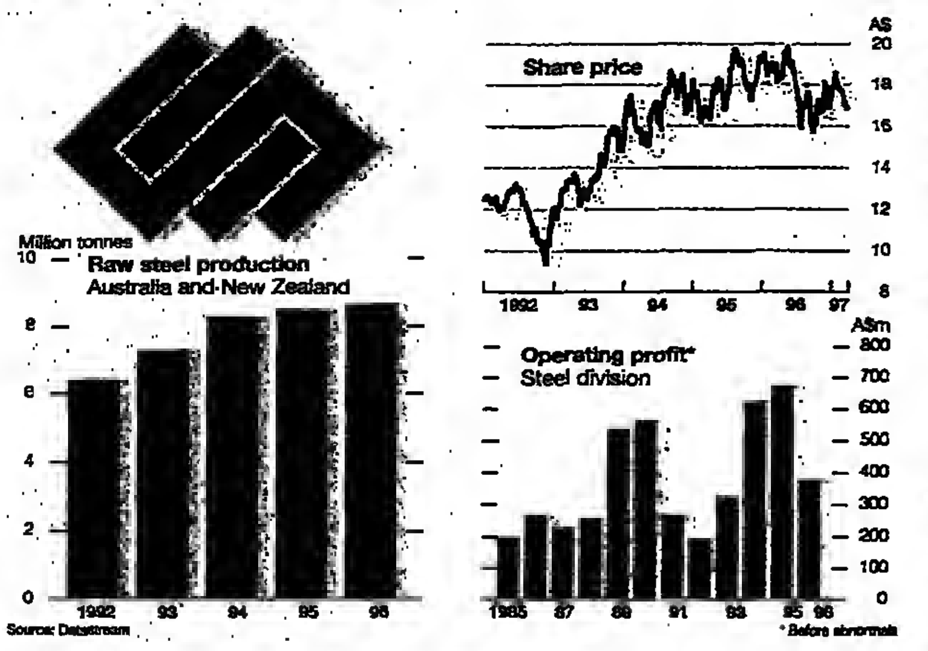
Jardine Strategic, the company through which Jardine Matheson controls its corporate empire, yesterday announced the extension of a share repurchase scheme through the unusual method of a bonus issue of put warrants, writes John Ridding.

The company said the offer would enhance earnings and net asset value per share. Each shareholder will be given a put warrant for every 20 shares. Each warrant entitles the holder to sell back to Jardine Strategic one share at a price of US$3.80 on July 7 – a premium of 15 per cent over the average price of the past 30 days. If all warrants are exercised, Jardine Strategic would buy back about 49m shares – or 5 per cent of the total – at a cost of about US$200m. Mr Christopher Cowan, finance director, said the offer should help redress the substantial discount to net asset value at which the company's shares have been trading.

The announcement came as Jardine Strategic unveiled net profits for last year of US$302m, a rise of 3 per cent. A final dividend of 9.9 US cents a share gives an unchanged total for the year of 14.50 US cents. Jardine Strategic holds 36 per cent of Jardine Matheson, which holds a 60 per cent stake in Jardine Strategic.

Lex, Page 14

BHP puts steel unit under the spotlight



This year threatens to be tough for Newcastle, the New South Wales port north of Sydney where BHP, Australia's largest company, is hard to miss.

The group's integrated steelworks, which opened in 1915, sprawl along the harbour side. About 3,000 people work directly for the resources group, and contractors provide a further 2,000 jobs, not to mention the other businesses dependent on the steelworks.

But in 1995-96, profits at BHP's steel division slid to A$375m (US$295m), compared with A$537.1m in the previous year. In the six months to the end of November, there was a further decline to A$180m, on sales of A$4.2bn, down from A$295m the year before.

This plunge represents the latest jolt in a bumpy decade, during which BHP's steel profits have varied from less than A$200m to about A$600m.

With BHP reporting third-quarter results today, the future of the steel division is under the spotlight.

For an international company staking a claim alongside other global resources groups, such cyclical performance in an important division is a handicap. Already, BHP has set up an internal review to rethink its steel business, which ranks about 15th in world terms.

Mr Ron McNeilly, who runs BHP's steel division, summarises the dilemma: "One approach is to say steel is a cyclical industry. But the one that we've taken is to say: do we have the right profile, the right set of assets, the right investment in the right markets, to do something about the cyclical profitability of the industry?"

The answer will almost certainly be no. The review aims to ensure that all steel assets meet three criteria. Operations must be "at the low end of the cost-curve"; make a "meaningful" contribution to the group overall; and offer growth potential. "Anything other than that doesn't have a long-term place in our future strategic direction," Mr McNeilly says.

Pressed to define a "meaningful" contribution, BHP says this implies a sustained flow of profits, running into the tens of millions of dollars.

Newcastle, the oldest of BHP's three Australian integrated steelmaking operations, is unlikely to fit the bill. The steelworks made a loss in 1995-96, and many of the physical assets have been written down to zero in BHP's books.

Moreover, as new steelmaking capacity comes on stream in Asia – often employing the less capital-intensive electric arc furnace (EAF) technology – it is difficult for Newcastle's 1.5m tonne-a-year blast furnace operation to compete without modernisation.

The question is where BHP goes from here. In the past, it has talked of introducing EAF technology at Newcastle, which could then more efficiently feed the existing rod and bar mills. A 1.5m tonne a year facility, it has suggested, could cost around A$500m.

But this would need to be fed by scrap, or scrap substitute, which has seen recent price volatility. Many analysts think they are likely to remain so as EAF capacity expands in the Asian region and demand for scrap increases.

If the EAF option fails to make the grade, the alternative would be to take feed from either the Port Kembla steelworks south of Sydney or Whyalla, in South Australia. But that would mean the end of BHP's status as Newcastle's main employer.

Newcastle is unlikely to be the only victim in the steel division rethink. Already, some smaller assets – such as the stainless steel operations near Port Kembla – have been closed, and cost cuts sought at the Glenbrook steelmaking operation in New Zealand. The future of the Whyalla works has also been in question.

In recent years, BHP has already been pursuing its much-vaunted "multi-domestic" strategy, aggressively building up downstream activities close to end-user markets in Asia.

Hundreds of millions of dollars have been invested in higher value-added production facilities in, for example, Indonesia, Malaysia and Thailand.

But behind this lurks the more extreme question: would BHP do better to quit steel? Leaving aside the political dimensions – BHP is the Australian steel industry – Mr McNeilly mounts a robust defence, pointing to the combination of strong domestic raw material supplies and the expanding Asian markets.

The recent plunge in profits has been attributed to rising costs, weak domestic demand, import competition and a sharp fall in some export prices as Chinese demand fell away.

Mr McNeilly thinks that some improvements in demand and price levels should be possible over the next three or four years, although 1997 may remain fairly flat and China remains "the wild card".

"If China again substantially gets back into imports, that'll have a very positive impact on prices in the Asian region. If China does not, there's no reason why there would be a significant improvement in price."

All things considered, says Mr McNeilly, BHP will not turn its back on its roots: "We certainly have in mind a long-term position in steel."

Nikki Tait

One Holding creditors press for repayment

By Ted Bardacke
in Bangkok

Foreign creditors of One Holding, the investment arm of Finance One, Thailand's largest finance company, are pressing for much of both companies' outstanding debts to be immediately called in after One Holding defaulted on bills of exchange worth $13.5m.

The creditors say Wednesday's default should make these and other debts payable in full. They pointed to cross-default terms in $70m worth of One Holding floating rate notes bought by Asian banks last year and a $120m Finance One loan facility with Japanese and European banks.

The dispute could complicate the merger between Finance One and Thai Danu Bank, a small commercial bank. One Holding has been left out of this merger, a move which foreign creditors argue violates the spirit of the One Holding FRN prospectus, which promised that Finance One Group would maintain a 51 per cent stake in the company.

"This is going to get really messy," one Bangkok-based foreign banker said. "Foreigners feel like they're being left holding the bag."

In an effort to maintain investor confidence before next month's international road show by Thai authorities for a $500m Yankee bond issue, the central bank said yesterday it was investigating One Holding for taking loans from Finance One and using them for "inappropriate purposes".

On Wednesday, Finance One officials released a statement claiming the company owned less than 10 per cent of One Holding and that this justified their decision to leave One Holding out of the Thai Danu merger.

There is a legal distinction between Finance One Group, most of which will be included in the Thai Danu merger, and the Finance One company.

Several analysts said there appeared to have been an attempt by Finance One to strip assets away from One Holding in the days leading up to the Thai Danu merger announcement.

One of these moves was to lend $40m to One Holding backed by what Finance One calls "sufficient collateral". As demonstrated by the bill-of-exchange default, One Holding will not be in a position to repay this loan and Finance One is likely to end up with the collateral.

ASIA-PACIFIC NEWS DIGEST

Telkom warns on competition

Telkom, Indonesia's domestic telecoms operator, warned that what is widely viewed as the effective dilution of its monopoly over long-distance domestic calls may eventually hurt the company's financial performance. The forecast caused Telkom shares to close down Rp25 at Rp3,725, even though it reported stronger than expected 1996 earnings yesterday. Net income rose 65.8 per cent to Rp1,503bn (US$625.7m) as telephone lines in service continued to grow along with call volumes on its fixed-line network.

Deregulation introduced earlier this year reduced the fees Telkom may charge cellular operators for using its network. Analysts say this has in effect diluted the company's monopoly over domestic long-distance calls. Although these interconnection fees accounted for less than 1 per cent of Telkom's total revenues last year, the deregulation should eventually allow cellular operators to start undercutting Telkom's tariffs on domestic long-distance calls.

Telkom said it "expects to face competition, which may include price competition from cellular operators" but that it planned to lobby the government to stop the competition extending to price. The company added that because only one of the country's cellular operators is developing its own separate fibre optic network, lower interconnection fees may be offset by higher revenues from leasing lines to cellular operators. The company also predicted it would benefit from growth in revenues at cellular operators, as it has stakes in all the mobile phone operators in Indonesia. Telkom's earnings from affiliates totalled Rp24bn, compared with a loss of Rp6bn the year before.

Lines in service rose over 27 per cent and telephone usage, measured in pulses, increased 25.1 per cent. A sharp increase in fourth-quarter operating income from Rp48.7bn to Rp595.3 also helped the bottom line.

Manuela Saragosa, Jakarta

Sun Hung Kai ahead 21%

Sun Hung Kai Properties, one of Hong Kong's biggest property groups, yesterday posted a 21 per cent increase in net profits for the half year to last December, from HK$5.15bn a year ago to HK$6.25bn (US$806.9m). Property sales generated by the group over the period increased more than four-fold, from HK$1.97bn to HK$8.1bn.

The group's land bank in Hong Kong boasts an attributable gross floor area of 47.8m square feet. Roughly one-third of this is completed investment properties and the balance still under development. The investment properties are virtually fully let, and rents are rising modestly. Mr Walter Kwok, chairman and chief executive expected growth in rental income to be "satisfactory" in the coming years, and painted an optimistic picture for it hotel interests, thanks to increasing visitor arrivals and a limited supply of rooms.

Sun Hung Kai Properties' focus remains on property development in Hong Kong. Investments in the mainland are kept at below 10 per cent of total group assets. Earnings per share at the halfway stage rose 17.6 per cen from HK$2.22 to HK$2.61 for the same period last year. The interim dividend is to be lifted 17 per cent, from 60 HK cents to 70 HK cents.

Louise Lucas, Hong Kon

CKI above forecast

Cheung Kong Infrastructure, the unit spun off last year from Cheung Kong, the Hong Kong property developer controlled by Mr Li Ka-shing, yesterday reported a 56 pe cent rise in net profits, from HK$569m in 1995 to HK$886 (US$114.4m) last calendar year. The results were sharply higher than the HK$728m minimum forecast made in th prospectus at the time of CKI's listing last July. Also higher is the proposed dividend, which at 16 HK cents is double the 8 cents indicated in the initial public offering prospectus. (The number of shares entitled to a dividend has also expanded following the issue of 886m new share to Hutchison Whampoa, an associate company, for the purchase of 35.01 per cent of Hongkong Electric.)

During the company's first year as a listed company it acquired an additional 24 infrastructure projects in Chin and invested HK$3.3bn. At the end of last year it was committed to investments of HK$6.6bn, which ranks it a one of the biggest infrastructure investors in the mainland, it says.

Profit contribution from the infrastructure businesses increased 51 per cent from last year. The infrastructure materials businesses – which still constitute the lion's share of profits – reported a 40 per cent increase in profi contribution. Earnings per share rose 36 per cent, from 5 to 75 cents.

Louise Luca

Internet plans at ASX

The Australian Stock Exchange said yesterday it was working on plans to use the Internet to facilitate corporate capital-raising, notably by smaller companies. "[The scheme] will be part of our existing World Wide Web site," Mr Richard Humphry, managing director of the exchange, told a meeting in Sydney. "Our plan is to provide a system that will bring investors and issuers together, but without any formal market structure".

Mr Humphry added that the ASX hoped to have the scheme up and running by the end of the year. But he down-played the likelihood of a "second board" market for smaller company shares, pointing out that the ASX's listing criteria are already lower than those adhered to b the Nasdaq market in the US, for example. Like many other countries, Australia has struggled with the probler of how to encourage the growth of newer companies, particularly those with a technology focus. Although some institutional money now goes into this area, there no significant venture capital industry.

Nikki Tait, Sydn

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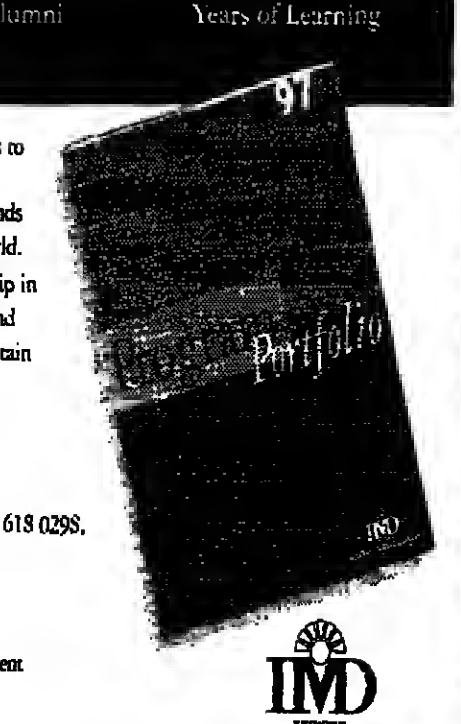

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NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders of COMMERCIAL UNION PRIVILEGE PORTFOLIO SICAV will be held at its registered office, 26, place de la Gare, L-1616 Luxembourg, Grand-Duchy on Tuesday 1st April 1997 at 15:00 C.E.T. for the purpose of considering and voting on the following matters:

1. To receive and adopt the Directors' Report and the report of the Auditors for the year ended 31 December 1996;
2. To receive and adopt the Statement of Net Assets, Statement of Operations and Statement of Changes in Net Assets and in Issued Shares for the year ended 31 December 1996;
3. Discharge of the Directors and of the Auditors.
4. To re-appoint the existing Directors and to authorise the Directors to fix the Auditors' remuneration.
5. To appoint the Auditors.

Voting

The Resolutions may be passed without a quorum, by a simple majority of the votes cast thereon at the meeting.

Voting arrangements

In order to vote at the meeting, the holders of bearer shares must deposit their shares not later than 28 March 1997 either at the registered office of the Fund, or with any bank or financial institution acceptable to the Fund, and the relative deposit receipts (which may be obtained from the registered office of the Fund) must be forwarded to the registered office of the Fund to arrive not later than 28 March 1997. The shares so deposited will remain blocked until the day following the meeting or any adjournment thereof.

The holders of registered shares need not deposit their certificates but can be present in person or represented by a duly appointed proxy.

Shareholders who cannot attend the meeting in person are invited to send a duly completed and signed proxy form to the registered office to arrive not later than 28 March 1997.

Proxy forms will be sent to the registered shareholders with a copy of this Notice and can be obtained from the registered office.

THE BOARD OF DIRECTORS

AKZO NOBEL

Pursuant to the Dutch Major Holdings in Listed Companies Disclosure Act (*Wet Melding Zeggenschap*), Akzo Nobel N.V. – formerly Akzo N.V. – hereby gives notice that it has been informed by *Arnhemsche** that it holds shares in Akzo Nobel equivalent to an interest of 10.66 percent. No part of this interest is indirect or potential within the meaning of the Act. *Arnhemsche's* voting rights are limited by Akzo Nobel's articles of association to 3,000 votes, or 0.0042 percent.

Arnhem, March 21, 1997
Akzo Nobel N.V.

**Arnhemsche*, registered as *N.V. Arnhemsche Maatschappij tot het houden van aandelen Akzo Nobel*, has as its sole corporate object the acquisition and management of a portfolio of Akzo Nobel shares.

General Motors Corporati

Further to the DIVIDEND DECLARATI 10th March 1997. Notice is now gi that the following distribution w become payable on or after 17th Ma 1997 against presentation to Depositary (as below) of Claim Fo listing Bearer Depositary Receipts.

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Crédit Lyonnais reports FFr202m profit

By Andrew Jack in Paris

Crédit Lyonnais, the French state-owned banking group, yesterday reported net income of FFr202m ($35.6m) for 1996 after barely breaking even in the previous year, and predicted a substantial jump in profits for 1997.

However, the figures came against a backdrop of declining banking revenues – down nearly 3 per cent to FFr30.3bn – as well as a reduction in operating costs and provisions.

Mr Jean Peyrelevada, chairman, said: "Wa consider that 1996 marks a spectacular redressment in the results of Crédit Lyonnais." He said its performance thia year should allow the bank to report 1997 profits "in the billions, not millions" of francs.

He argued that the bank would be ready for privatisation during the second half of 1998, once it was recapitalised by the state, and stressed it was meeting its obligations under a restructuring plan agreed in 1995 to sell off assets outside France.

Mr Peyrelevade argued that the bank would not sell subsidiaries which triggered capital losses, and explicitly ruled out the sale of BfG, its German banking arm. "I will not sell BfG – full stop," he said.

His strategy appears to reflect a desire to remain profitable ahead of a capital injection by the French government, which officials indicated yesterday would not take place this yaar. Analysts have suggested that aelling BfG would trigger capital losses of at least FFr4bn.

Mr Peyrelevade said he had been asked by his board yesterday to express its "emotion" at the latest political row over frauds at the bank and the cost to taxpayers of the losses in previous years.

He said there was nothing new in what had been said, and that by failing to specify that the events referred to took place under previous management, they had caused renewed and unnecessary concern among staff and customers.

He told the National Assembly finance commission earlier this week that the ultimate cost of saving the bank may reach FFr100bn – against a figure of FFr130bn suggested by some politicians – and that tha frauds uncovered amount to "several dozens of millions" of francs each, not FFr5bn as one deputy bad claimed.

Under a restructuring plan authorised to cost up to FFr50bn, Crédit Lyonnais is required to reduce its commercial presence outside France by 35 per cent between the start of 1994 and the end of 1998. Mr Peyrelevade said that so far, the bank's staff had fallen 28 per cent, offices by 32 per ceot and assets by 15 per cent.

A new plan is expected to be submitted in the next few weeks by the government to the European Commission, which bas already calculated that the additional aid could cost a further FFr30bn.

Telefónica 'near to decision' on alliance

By Tom Burns in Madrid

Telafónica, tha Spaniah telecoms group, sald it would decide soon on a partner for its main global telecoms alliance. It sald it would consider an equity swap with another operator to increase traffic between the US and the fast-growing Latin American market, where it is the main foreign operator.

Mr Juan Villalonga, Telefónica chairman, said yesterday he would decide "within four to six weeks" on a US partner for a "pan-American alliance" with Talefónica Internacional (Tisa), its international unit. This alliance could include "a cross-share agreement as equals" and an exchange of board seats.

He said he would choose a prospective partner between MCI, which is linking with British Telecommunications in a $20bn merger; GTE; SBC Communications; Bell Atlantic; and AT&T, the largest US operator, which has an association with Unisource, the alliance of small European operators which includes Telefónica.

Mr Villalonga, who is shortly to see Mr John Walter, chairman of AT&T, In Madrid, atressed that his options remained open. "I am seeing all the other chairmen as well and also the chairman of BT," Mr Villalonga said. "We have no shortage of suitors."

In London, BT declined to comment on speculation that it was already negotiating a strategic link-up with Telefónica.

Yesterday's remarks by Mr Villalonga fuelled further speculation over a reshaping of the telecoms industry. Were the Spanish operator to choose MCI, which will form the Concert alliance with BT, its membership of Unisource – alongside KPN of the Netherlands, Telia of Sweden and Swiss Telecoms – would no longer be viable.

Unisource itself would lose value as a vehicle for AT&T'a European ambitions should Telefónica withdraw.

Mr Villalonga conceded that his choice of a US partner could have "an impact" on Unisource. However, he rebuffed plans by BT to buy equity in Tisa, possibly by acquiring the 24 per cent stake which the government plans to sell. He said Telefónica, which owns 76 per cent of Tisa, wanted outright ownership of its international unit because it is "the jewel in our crown".

"I cannot stop a third party buying [the government'a] stake but I can make it a very unattractive acquisition," Mr Villalonga said. "I would create another unit for investing in Latin America."

BT has ayed Tisa, which operates in Argentina, Brazil, Chile and Peru. Unlike AT&T and GTE, neither the UK company nor MCI have footholds in Latin America.

● BT has been selected as a strategic partner by Post and Telekom Aostria, writes Paul Taylor. PTA will operate as a distributor for Concert Communications Services, the BT/MCI venture.

Juan Villalonga: will decide 'within four to six weeks' on a US partner for Tisa *Ashley Ashwood*

Omnitel posts loss for first full year

By Paul Betts in Milan

Omnitel Pronto Italia, Italy's second cellular telephone company, yesterday reported an after-tax loss of L589bn ($349m) in its first full year of operation.

The company said tbe losses were in line with its bnsineas plan, with break-even expected by the end of next year.

However, Mr Silvio Scaglia, chief executive, said the 1998 break-even target hinged on tbe company's securing lower interconnection charges from Telecom Italia, the state controlled *fixed-line operator*.

He said interconnection charges in Italy were more than donble the European average and that they currently absorbed 30 per cent of Omnitel's revennes. The government was dne to have reviewed interconnection fees by the beginning of last month, but has so far taken no action.

Mr Scaglia said the 1996 results confirmed Omnitel, which is controlled by Olivetti, as "the fastest and most successful cellular telephone start-up" in Europe.

Tha company, in which tha US telecommunications group Bell Atlantic holds a significant stake, had 713,000 customers at the end of last year.

This year the number of cnstomers has risen to nearly 1m. Mr Scaglia said the company had a 35 per cent share of the Italian market, where it competes against Telecom Italla Mobile (TIM), the state-controlled mobile telecommunications company.

Turnover last year totalled L749bn. The company invested L729bn in the same period, bringing total investments since its start-np in 1995 to L2,511bn. Tbe company employed 2,862 people at the end of 1996 – an 81 per cent increase on a year earlier.

Omnitel's biggest headache was the government's delay in fully deregulating Italy's telecommunications, Mr Scaglia said.

Nedlloyd shares fall as earnings halved

By Gordon Cramb in Amsterdam

Shares in Nedlloyd sank more than 20 per cent yesterday as the Dutch transport group said it could not predict that the merger of its container shipping operations with those of P&O of the UK would bring it improved profits this year.

It announced attributable earnings for 1996 of Fl 49m ($25.9m). Although less than half the previous Fl 106m, the outcome was within analysts' range of expectations. But Mr Richard Brakenhof of MeesPierson said: "There was no forecast for 1997, and that was disappointing. They must have learnt from the past not to be too optimistic."

The company spoke of "massive pressure on rates in ocean shipping" last year, which meant that average revennes per container dropped 11 per cent In dollar terms, and 15 per cent on the important route between Europe and the Far East.

Nedlloyd led the Amsterdam bourse's 3.4 per cent retreat yesterday, measured by the 25-share AEX index. Its shares ended Fl 11.50 lower at Fl 45.50, although the company is maintaining its Fl 1.25 dividend. Shares in P&O, with which It began this January to operate the container business as a joint venture, lost 28p in London to close at 630p.

Mr Leo Berndsen, Nedlloyd chairman, said he thought shipping rates had now stabilised, and the combined unit would benefit from lower costs: "The merger's effects will become more and more visible," he said, but added: "It is too early in the year to make a forecast. It is also too early in the merger process."

The company made no money from its maritima business in the last three months of 1996, after positive results for the preceding two quarters when it was negotiating the tie-up. Apart from the container deal, the accord also led to P&O taking over its share of their joint North Sea Ferries service.

Turnover edged up nearly 1 per cent at Fl 6.83bn, buoyed by 4 per cent growth in volume at Nedlloyd Lines, and growth in European road distribution, the main business remaining on its balance sheet.

Banks feel wrath for backing Krupp

By Peter Norman in Düsseldorf and Andrew Fisher in Munich

Deutsche Bank and Dresdner Bank, both of which advised Krupp Hoesch in its bid for rival Thyssen, yesterday felt a backlash of anger from steel workars and politicians in North Rhine Westphalia.

Ms Gisela Nacken, speaking for the Greens in a debate on the steel industry in the Düsseldorf parliament, advocated a boycott of the banks, although she acknowledged that It would "only irritate them at the margins". Mr Wolfgang Clement, the generally pro-business Social Democratic economics minister, warned them that they had a responsibility to the companies' workforces as well as their shareholders.

At the Thyssen works in Duisburg, the shop stewards' committee of the IG Metall trade union said workers had begun closing accounts at Deutsche Bank because of its role in the bid. It also reported that a supermarket In nearby Krefeld had decided to close its account with the bank. On Tuesday, angry Thyssen workers occupled a Dentsche Bank branch in Duisburg.

Deutsche Bank has been criticised because Mr Ulrich Cartellieri, a board member, is also a member of the Thyssen supervisory board. He sat alongside the Thyssen management at tha company's annual meeting last Friday without giving a hint of the bid plans or the bank's role.

The emotions raised by Krupp Hoesch's attempt to take over Thyssen show the difficulties Germany faces in trying to gain social acceptance for industrial restructuring, a leading banker said yesterday.

Meanwhile, Mr Albrecht Schmidt, chairman of Bayerische Vereinsbank, said "a clever route" – not a compromise – would have to be negotiated between the need to improve industrial competitiveness and the existeoce of a well-developed welfare state. He said the recent government decision to slow the run-down in the coal industry with continued subsidies "fills me with deep sadness", adding: "It has not been clearly said to people – 'sorry but you're not competitive'."

EUROPEAN NEWS DIGEST

Bekaert blames fall in demand

Belgium's Bekaert, the world's largest independent producer of steel wire and cord, yesterday blamed lower than expected European demand for a 40 per cent drop in underlying profits.

Including a net exceptional gain of almost BFr400m (US$11.56m), consolidated post-tax profits fell 29 per cent from BFr3.18bn to BFr2.27bn. Excluding exceptionals, profits fell 40 per cent to BFr1.89bn.

Exceptional Items included a gain of BFr2.30bn on last July's sale of 10.1m shares in the Japanese steel cord joint venture Bridgestone Metalpha, which was offset by a BFr1.93bn provision for a restructuring plan announced in December. Turnover increased 1.9 per cent to BFr61.8bn. Bekaert said 1996 had proved one of its most difficult years, with poor demand for steel cord - a key component of car tyres - and strong competitioo from eastern European manufacturers, particularly in Belarus.

In a turbulent year on the Brussels bourse, Bekaert's shares almost halved from a record high of BFr33,000 in March to just over BFr18,000 In December, partly because of a reduction of Bekaert's weighting in the Bel-20 basket of sbares. The share price was also hit by an advertising campaign by Du Pont of the US promoting Kevlar, the fibre material used in bullet-proof vests, as an alternative to steel cord In tyres – Bekaert's most importaot product area. The net dividend was held at BFr450.

Neil Buckley, Brussels

Digital TV hits Canal Plus

Canal Plus, the French pay-television group, pushed up net income 11 per cent in 1996 In spite of increased losses from its digital satellite service, wbich it launched last year. CanalSatellite reported losses before tax credits of FFr284m (US$50.7m), against FFr64m last time. Its revenues rose sharply from FFr470m to FFr631m on the back of subscriptions which climbed from 305,000 to 446,000.

The group said the number of subscribers to its digital services exceeded expectations. Of a total of 220,000, 68 per cent paid for both Canal Plus and CanalSatellite, 25 per cent for CanalSatellite alone, and 7 per cent for just the premium digital service Canal Plus.

The group said it would soon be adding home betting, telebanking, Internet access and local weather information to its range of satellite services, whicb currently include some 25 foreign or French original channels, 11 per-pay-view channels and other specialist movie, music and thematic broadcasts.

Across the group, capital expenditure jumped sbarply from FFr2.5bn to FFr6.2bn, largely as a result of television production and distribution investments. Cable and satellite spending rose from FFr36m to FFr139m, and decoders from FFr482m to FFr915m. *Andrew Jack, Paris*

Stora mulls Asia move

Stora, the Swedish forestry group, is considering launching pulp and paper operations in Asia-Pacific and South America, in a move which would break new ground among Scandinavia's big producers.

Mr Lars-Ake Helgesson, chief executive, said Stora was working on a new strategy for east Asian markets, focused on starting fine paper production. He told the annual shareholders' meeting that access to short-fibre wood pulp was a precondition for the success of tbe venture. This could be achieved by locating pulp productioo in the region or in another market, notably South America. The Asian and Latin American forestry industries have expanded rapidly, but Nordic companies have yet to establish a significant presence in either region. *Greg McIvor, Stockholm*

German stake for AirTouch

AirTouch, the US mobile telephone company, bas taken a 4.5 per cent stake in the consortium working with Deutsche Bahn, the railway operator, to build a German telecommunications business to rival Deutsche Telekom.

The consortium is led by Mannesmann, the industrial conglomerate, and has a 49.8 per ceot stake in Mannesmann Arcor, tbe telecoms group majority-owned by Deutsche Bahn. *Rolph Atkins, Bonn*

Kuoni up 53.5 per cent

Kuoni, the international travel and tour operator, continued its strong recovery in 1996, lifting net income 53.5 per ceot to SFr69.4m (US$49.5m) on the back of a 20.5 per cent rise in revenues to SFr3.5bn. The weakness of the Swiss franc was behind SFr1.5m of the increase. The group's Swiss business Increased earnings before interest and taxes by 29.9 per ceot, to SFr25.6m, on a 18.6 per cent rise in reveoues to SFr1.7bn. *William Hall, Zurich*

TECHNIP 1996: 21.3% increase in net profit

The Board of Directors of TECHNIP met on 13 March 1997, under the chairmanship of Mr Pierre VAILLAUD, and reviewed the audited consolidated accounts for 1996, which included the following information:

Key figures (in millions of French francs)	1996	1995	Increase
• Consolidated turnover*	10,140	9,336	+ 8.6%
• Group net profit	534.2	440.3	+ 21.3%
• Group shareholders' equity (before distribution)	2,745	2,256	+ 21.7%
• Dividend per share (excluding tax credit)	10.5 francs	9 francs	+ 16.7%

a) In order to provide a better reflection of the group's activities, financial income arising from contracts is included in turnover with effect from 1 January 1996. The 1995 figures have been restated on the same basis.

• **Consolidated turnover** increased by **8.6%** to **10.1 billion francs** (compared to 9.3 billion francs in 1995). This included 35% achieved in Western Europe.

• **Group net profit** amounted to **534.2 million francs**, representing growth of **21.3%** over the previous year (440.3 million francs in 1995).

• **Group shareholders' equity** increased by **21.7%** compared to the previous year and amounted to **2.7 billion francs** before distribution (compared to 2.3 billion for 1995).

• The uncompleted part of contracts in progress, which only includes contracts in force (backlog) amounted to **12.2 billion francs** at 31 December 1996 and represents in excess of one year's turnover. This does not include major contracts obtained where the financing has not yet been finalised.

• At the same time, the Board of Directors approved the accounts of TECHNIP (the parent company) for 1996 and decided to propose to the Annual General Meeting, which will be held on 30 April 1997, to increase the dividend to **171 million francs** (143 million francs for 1995), being **10.50 francs per share** (9 francs for 1995), excluding tax credit.

TECHNIP

DESIGN & CONSTRUCTION OF MAJOR INDUSTRIAL PROJECTS

This announcement appears as a matter of record only

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SENIOR CREDIT FACILITIES

739,000,000 FRF

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CARIPLO BANQUE S.A. PARIS BAYERISCHE VEREINSBANK AG PARIS BRANCH

Co-managers

BANQUE SANPAOLO BANCA NAZIONALE DEL LAVORO SPA PARIS BRANCH

CAISSE D'EPARGNE DES ALPES MONTE PASCHI BANQUE

THE SUMITOMO BANK LTD PARIS BRANCH UNION EUROPÉENNE DE CIC

Facility Agent

PARIBAS

December 1996

Penauille POLY SERVICES

1996 CURRENT INCOME + 19%

in FFr thousand	12/31/1996	12/31/1995	Change 96/95
Consolidated Sales	1,272,890	1,026,652	24.0%
Operating income	78,973	68,638	15.1%
Current income	67,973	56,930	19.3%
Net income	36,043	31,246	15.4%
Net current income before goodwill	40,549	35,562	14.0%
Net Earnings per share	33.48	29.61	13.1%

Consolidated sales figures at December 31, 1996 include the Peco group as from August 1, 1996.

The company met its net income goal, in percentage terms, as announced at the time of the Peco acquisition. However the full impact of the company reorganization (IT, administration, finance) will not be felt until 1997.

With the acquisition of Net Expansion, to be consolidated as from January 1, 1997, Penauille Polyservices sales should reach the FFr 2 billion level at the end of 1997. This is in keeping with the goal set for the year 2000 at the time that the company was listed on the Paris Stock Exchange on December 8, 1994.

CHANGES IN CAPITAL

On December 18, 1996 an extraordinary shareholders' general assembly meeting voted an increase in capital reserved for Mr Enrico Orlando. This was carried out through the incorporation of a FFr 10 million loan, which represented a very small portion of the acquisition of the Peco group by tha Penauille Polyservices group on August 1, 1996. The issue price was made at FFr 986 per share, i.e., the average of the twenty last trading day stock market prices prior to December 18, 1996.

DIVIDENDS

A pre-tax dividend of FFr 9.75 per share will be recommended at the shareholders' meeting, up +14.4% vs. FY 1995.

Investor Relations:
Thérèse Atlan, Tel. 33 1 45 10 64 00

Cigna enters retail alliance in Brazil

By Jonathan Wheatley in São Paulo

Cigna, the US insurance group, and Banco Excel Econômico, one of Brazil's biggest private sector banks, said yesterday they would form a joint venture to offer life and other retail insurance products in Brazil.

The new company, Excel Cigna Seguradora, will have equity of R$20m (US$18.9m), split equally between the two partners. Cigna will spend a further US$48m to buy 4.6 per cent of Excel Econômico, bringing its total initial investment, including spending on training and other start-up costs, to $73m.

SBC Warburg acted as consultant on the deal.

The announcement is further confirmation of the US financial sector's expectations of growth in Latin American markets. Last month, Aetna, the US life and health insurer, said it would invest $300m in a joint venture with Sul America Seguros, Brazil's biggest insurance company. A group of North American financiers, including the merchant banking arms of Chase Manhattan Bank and the National Bank of Canada, also said they would spend $350m in a joint venture with Infisa, Chile's biggest pension fund manager.

Excel Cigna will start with three products offering life, accident and personal credit insurance, and expand in Brazil's growing personal insurance market, currently worth about $15bn a year.

It expects the market to grow by between 14-18 per cent a year in the next three years and aims to be among the top 10 insurers in Brazil within 10 years. Turnover during the first year is estimated at $40m to $50m.

Mr Wilson Taylor, Cigna chief executive, said: "This is the beginning of a firm partnership that will combine our knowledge of the insurance market with Excel's capabilities in retail banking. The investment in Excel Econômico underlines the strength of the relationship."

Excel Cigna will use telemarketing techniques developed in the US but less common in emerging markets. Mr Ezequiel Nasser, president of Excel Econômico, said his bank was a pioneer of their use in Brazil.

Excel Econômico came into being last year after Banco Excel, a São Paulo wholesale bank, bought the assets of Banco Econômico, which collapsed under liquidity difficulties in 1995. It has quickly built a reputation for aggressive marketing and product innovation.

Cigna has offered wholesale life, property and health insurance in Brazil for 75 years. Its wholesale business will now operate under a new name, Ina Seguradora, and be kept separate from Excel Cigna.

Bunge y Born pulls off disappearing act

The Argentine company needed its own presidential coup to survive, reports Matthew Doman

As the bad old Argentina of hyperinflation, economic volatility and heavy-handed state intervention in business sank to its knees in the late 1980s, the country had few private corporations worthy of the name.

One exception was the stately Bunge y Born, a diversified, family-owned agribusiness conglomerate that had become synonymous with the wealth of the Argentine pampa and the wasted opportunities of a nation.

Though Bunge y Born has always been a private company, its directors and owners had a tradition of involvement in Argentine politics which many now see as detrimental in the long term. It is one of many aspects the company has consigned to the past as it strives to survive in the 1990s.

The transformation of Bunge y Born, and the compromises it has been forced to make, are a classic example of the shifts in many family-run businesses throughout Latin America.

From a dominant presence in a closed economy, with investments in sectors as diverse as commodity trading, information technology, textiles and paint production, Bunge y Born has shrunk to a holding company with only one real unit: the food conglomerate Molinos Rio de la Plata.

"In the 1990s, it has been a disappearing act," says Mr Christopher Ecclestone, Buenos Aires director of the Mexican investment bank Interacciones Global. Like many analysts, he sees good and bad in the shrinking of the Bunge y Born business over the past five years.

"They were in a lot of sunset industries and did well to get out, but they have also sold some very good assets," Mr Ecclestone says. "Maybe it was a question of their management; maybe they just weren't up to it."

When the Argentine economy stabilised and opened in the early years of the presidency of Mr Carlos Menem, Bunge y Born found itself poorly equipped to face the challenges of the new competitive environment.

Owing to the close involvement of Mr Jorge Born with Mr Menem as economic confidante, Bunge y Born excluded itself from the privatisation process that enabled other struggling Argentine conglomerates such as Perez Companc and the Techint group to build a base for growth in the early 1990s.

Dr Salvador Carbó, chief executive of Bunge y Born, concedes that while none of the assets sold by the Menem government really fitted his group's operations, the sell-off could have enabled the group to make some handsome profits.

With debts near $200m, increasing competition in its traditional markets, and the loss of important export sales to eastern Europe after the collapse of the Soviet bloc, Bunge y Born was floundering. Its shareholders – a traditionally stable and conservative collection of interconnected families in Argentina, Europe and the US – were close to despair.

In April 1991 they decided to act. Mr Jorge Born was removed from the presidency of the group, breaking a long-established Bunge y Born tradition that the top post was held for life.

The US-educated Mr Octavio Caraballo was appointed to lead the company, and with the close consultancy of McKinsey & Co, the "disappearing act" began.

McKinsey's advice was fairly simple: get professional management and focus operations on what the company does best.

In less than three years, it has sold its household chemicals operation, Compañía Química, to Procter & Gamble; the paint maker Alba to ICI, the agricultural chemicals company Atanor to the Ohio-based Albaugh group; and its Brazilian information technology operation, Proceda, to the Argentine Macri group.

The group has contracted from a conglomerate of 40 companies and 14,000 employees to one main operational company and about 4,000 staff. Its impressive 19th-century headquarters in the heart of Buenos Aires' traditional financial district houses only Mr Caraballo, Dr Carbó and a few other executives.

The group has retained its best business. With the merger of some of the group's other agribusiness assets into Molinos, and the raising of outside capital, Molinos is seen as having strong growth potential.

The changes have enabled Bunge y Born to increase production per employee from $84,000 in 1993 to $240,000 in 1995.

Molinos is Argentina's largest food producer, with between 5 per cent and 7 per cent of all Argentine supermarket sales, and has seen considerable growth in exports, especially to neighbouring Brazil, since sharpening its marketing efforts of branded products.

Exports are expected to account for about 40 per cent of 1997 sales of about $1.5bn. In 1993, the company exported less than 20 per cent of its total sales.

Bunge y Born has been forced to pay greater attention to minority shareholders in Molinos as it has raised greater outside capital for the company. The parent company now holds 65 per cent of Molinos shares.

"There used to be the impression that Molinos management worked for Bunge y Born, and not minority shareholders," says Mr Ecclestone. "But now that is changing."

This is the seventh in a series on Latin American family-run companies. Previous pieces have run on January 17, January 27, February 13, February 18, February 28 and March 12

Salvador Luis Carbó (right) admits privatisation was a missed opportunity, but Octavio Caraballo's presidency bodes well

Two bids likely for CVRD

By Geoff Dyer in São Paulo

Only two consortia are likely to bid for the 40-45 per cent block of voting shares in Companhia Vale do Rio Doce, the Brazilian mining group, according to the head of the National Development Bank (BNDES), which is running the privatisation.

Mr Luiz Carlos Mendonça de Barros, president of the BNDES, said: "Three consortia [bidding for CVRD] would be ideal, bnt more realistically I think we are looking at two."

The strategic stake in CVRD will be sold to a consortium of industry buyers at a public auction on April 29, the first stage in what will be Latin America's largest privatisation.

Mr Mendonça de Barros also confirmed that Bradesco, Brazil's largest private bank, would be excluded from the bidding because of a conflict of interest arising from its role as an adviser to the sale.

His comments follow considerable speculation in Brazil that Bradesco, which also has substantial industrial holdings, was planning to participate in one of the bidding consortia.

Negotiations over the eventual consortia are still taking place. Two leading Brazilian companies – Companhia Siderúrgica Nacional, Brazil'e biggest steelmaker, and Grupo Votorantim, the cement, aluminium and paper prodncer – had been in talk. However, these broke down over Votorantim's insistence on taking management control.

Ms Maria Silvia Bastos Marques, a director of CSN, said last week: "We would be unlikely to make a big investment in something over which we had no control." However, she did not rule out further discussions with Votorantim.

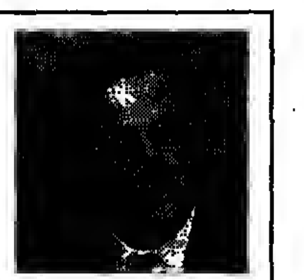
Votorantim has opened negotiations with Nippon Steel of Japan and ie believed to be in contact with Anglo American, the South African mining group. CSN has been talking with Gencor, of South Africa.

Mr Mendonça de Barros denied reports that the government was putting pressure on CSN and Votorantim to join forces in the bidding, in order to keep control of CVRD in Brazil.

"The government'e task is to ensure that the sale raises as much money as possible and that the successful group has enough capital to invest in Vale's activities," he said. However, he acknowledged that it would be politically easier for CVRD if the winning consortium contained at least one Brazilian group.

The rest of the government's 51 per cent stake in CVRD will be sold to employees and in international and domestic offerings later this year.

The Board of Directors of the DEME Group is pleased to confirm the appointment of Marc Stordiau as Director and Chief Executive Officer and to anoounce the appointment of Alain Bernard as General Manager and Chief Executive Officer of Group company Dredging International NV.



Alain Bernard

Alain Bernard, 41, graduated in civil engineering from the University of Louvain in 1979. A Belgian national, he joined Antwerp-based Dredging International in 1980. In 1989, he succeeded Marc Stordiau as Manager of the company's Benelux Division. As CEO of Dredging International Mr Bernard will assume full responsibility for the company's worldwide dredging activities.

Over more than 100 years of operation, Dredging International has built up an impressive track record in major hydraulic infrastructure projects. Dredging International project teams are presently active on every continent of the globe. Group companies offer a diverse range of disciplines, including dredging, reclamation, earthmoving, hydraulic engineering, marine services, environmental management and decontamination of soils and sludge. This broad-based synergy allows the Group to offer a fully integrated, multi-disciplinary approach capable of meeting the requirements of the most demanding of projects anywhere in the world. Indeed, the Group has become market leader in the demanding task of trenching for oil and gas offshore pipelines and associated deepsea activities.

Over the last three years, the Group's annual turnover has exceeded US$500 million. In that same period, export-related turnover grew from 65 per cent to 80 per cent. This substantial increase confirms and consolidates Dredging International's leading position in the hydraulic engineering and dredging sector.

Motorola focuses on world smartcard market

By Paul Taylor

Motorola, the US electronics group, has set up a new businese unit to focus on the fast-growing global market for smartcards – davices which look like conventional plastic credit cards but contain a microprocessor.

The US group already manufacturers the microchips which give smartcards the power of a pocket-sized personal computer, but said yesterday that it now planned to offer "a full portfolio of products that support multiple smartcard applications and offer high levels of security".

The push into the smartcard business represents an important strategic move by Mr Christopher Galvin, who recently took over as Motorola chief executive, and a significant US endorsement of tha smartcard market, which has previously been dominated by European manufacturers.

France and Germany have led the way in deploying smartcard technology over the past two decades, although there has been an explosion of interest in the last 18 months elsewhere in the world.

According to Dataquest, the market research firm, the market for microprocessor-based smartcards will grow from 84m units in 1995 to 1.2bn units in 2,001.

Motorola has set its sights on leadership in the market for advanced "contactless smartcards" which use radio waves to communicate, and on the next generation of multi-function cards which are likely to combine a number of applications such as banking, transport ticketing and retail loyalty schemes.

The US group said it expected to ship its first smartcards by the end of the year and would initially focus on the transportation and banking markets.

The new Smartcard Systems Business unit will be part of Motorola's Land Mobile Products buiness based in Schaumberg, Illinois, and will be headed by Mr Mark Davies.

"Key to success of the new unit will be Motorola's ability to leverage its core competence in radio frequency systems and software, together with its role as the world's leading provider of microprocessors for smartcards," the company said.

Motorole said the new business unit would actively pursue partnerships and alliances with other companies, and aimed to help establish common standards for smartcard applications.

"As in the personal compnter industry, enhancements in semiconductors and software will drive consumer adoption of smartcards," Mr Davies said.

"Ultimately, we belisve consumers will personalise their individual smartcards, selecting applications such as electronic commerce and frequent flyer programmes that are important in enhancing personal and business life."

While most cards still need to be "swiped" through a card reader, some already use radio technology to send and receive information without making physical contact with a terminal.

Maytag opens up new front in US market

By Richard Tomkins in New York

European laundry culture won another convert in the US yesterday when Maytag, the US white goods company, became the second big manufacturer to launch a European-style front-loading washing machine for tha US market.

Unveiling the machine witb a fanfare et New York's Lincoln Center, Maytag said the machine would "revolutionise" washing because it cleaned clothes better at a lower cost.

Until now, the laundry cultures in Europe and the US have been sharply divided, with Europeans favouring front-loading machines and Americans preferring top-loaders.

Front-loaders wash better than top-loaders because their rotating drum repeatedly lifts and plunges clothes in and out of a pool of water at the bottom, producing a gentle but thorough wash. They also cost less to run because they use far less water and need less energy to heat the wash.

Americans prefer the top-loader because it is cheaper to buy, they can get more clothes into it, and they do not have to bend down to load it. But they are under pressure to switch to front-loaders because of growing concerns about water and energy conservation.

Last year Frigidaire, the US arm of Sweden's Electrolux, became the first big manufacturer to launch a front-loader for the US market. Like Frigidaire's machine, the Maytag model is bigger than European front-loaders to address American concerns about size.

Price, however, is still a problem because the low initial volumes mean manufacturing costs are relatively high. Both companies' front-loaders retail at about $999, compared with $450 for a typical top-loader.

Whirlpool, the biggest US white goods company, says this is why it has not yet produced a front-loader. "Our experience is that consumers are disinclined to pay more at retail for products that are more environmentally friendly or energy efficient," the company said yesterday.

But Maytag said: "We think consumers are just a whole lot more sophisticated nowadays."

General Electric, the other big US appliance maker, will launch a front-loader of its own this summer.

To the Shareholders of

SVENSKA SELECTION FUND

(Société d'Investissement à Capital Variable)

You are hereby convened to attend the

ORDINARY GENERAL MEETING

of Svenska Selection Fund, which is going to be held on April 4, 1997 at 2.45 p.m. at the Head Office, 146, Boulevard de la Pétrusse, L-2330 Luxembourg, with the following

AGENDA

1. Reports of the Board of Directors and the Auditors.
2. Report of the Independent Auditor about the financial situation of this corporation.
3. Approval of the Balance Sheet and the Profit and Loss statement as at December 31st, 1997.
4. Discharge to the Directors and to the Statutory Auditor.
5. Statutory elections.
6. Miscellaneous.

Yours faithfully,
The Board of Directors

AMERICAS NEWS DIGEST

Consumer foods help lift ConAgra

The branded consumer foods businesses of Omaha-based ConAgra advanced in the third quarter, making up for weakness in some of its commodity businesses. The group's quarterly profits, at $145m or 63 cents a share, were in line with Wall Street estimates, and represented a 14 per cent rise from $128m, or 55 cents a share, in the third period of 1996.

ConAgra's shares still slipped in early trading in New York as part of a generally weaker stock market. In early trading ConAgra's stock was down $1¼ at $35⅝.

Mr Philip Fletcher, ConAgra chairman, said he was pleased with the company's earnings growth for the period. "Fiscal 1997 has developed very much as expected, including the evident benefits of ConAgra's balanced business base." He said the company was on track for record full-year earnings.

The company's sales for the quarter dipped 2 per cent from the year-ago period, from $5.77bn to $5.64bn. ConAgra's sales are dominated in volume and dollar terms by its bulk commodity operations.

Without providing specific figures, ConAgra said that its pork, poultry and cheese processing segments experienced a drop in operating profits in the third quarter and the year to date, while high-margin packaged meats had double-digit profit gains. Results from grain operations were mixed, with gains in flour milling businesses offset by declines in other commodity business.

For the first nine months of the year, ConAgra had net income of $428.5m, or $1.87 a share, on sales of $18.8bn, compared with $374bn, or $1.63, on sales of $18.8bn.

Laurie Morse, Chicago

Light up on residential sales

Light, the Rio de Janeiro electricity distributor privatised last May, said yesterday profits in 1996 were R$173.3m (US$163m) after a loss of R$111.4m in 1995. In accordance with changes to Brazilian corporate law introduced at the end of 1995, the figures take no account of inflation of about 10 per cent during the year. Under the old system of correcting for inflation, which analysts regard as a better reflection of performance, profits were R$178.6m, up from R$84.2m in 1995.

Light said 1996's results under corporate law reflected its loss-making stake in São Paulo distributor Eletropaulo, which was spun off before privatisation and not included in its adjusted accounts. The company said its improved performance reflected efficiency measures introduced after privatisation, including a voluntary redundancy programme which cut staff 36 per cent, and increased sales revenue.

Volume sales of electricity rose 2.45 per cent, driven by sales to residential subscribers, which rose 5.7 per cent. Light said the improvement resulted from increased sales of household electrical goods prompted by a boost to consumer spending power after economic reforms introdnced in 1994. Industrial sales fell 0.6 per cent.

Net operating revenue increased 27.1 per cent, from R$1.24bn to R$1.58bn, largely as a result of the removal of subsidies for low-volume residential consumers and a tariff increase of 8.04 per cent introduced last November.

Jonathan Wheatley, São Paulo

Pequiven doubles earnings

Pequiven, Venezuela's state-owned petrochemical company, and its affiliates announced net profits up from $88m in 1995 to $206m this time, struck on record consolidated production figures for 1996 of 7.7m tonnes, up 13 per cent on the previous year. The increased volume offset lower prices, resulting in sales of Bs708bn ($1.48bn) for 1996, of which exports accounted for $774m. Pequiven president, Mr Arnold Volkenborn said the company's 1996 performance – which included substantial cost cuts, was excellent.

Raymond Colitt, Caracas

Hydro-Quebec bullish on 1997

Hydro-Quebec, one of Canada's two biggest electric power utilities and a big international borrower, earned C$520m (US$378m) in 1996, up from C$390m in 1995, on revenues of C$7.7bn against C$7.6bn. It forecasts net profits of C$700m in 1997 and will resume paying dividends to its shareholder, the provincial government.

Hydro-Quebec is buying 40 per cent of Quebec's natural gas distributor and is preparing to open up its domestic market to outside competition as a prelude to stepping-up energy exports to the US.

Robert Gibbens, Montreal

US rail merger 'good for jobs'

The chief executives of CSX and Norfolk Southern told a Senate committee they intended to preserve most jobs and expand facilities in New Jersey, Pennsylvania and Maryland if a proposed deal goes through resulting in the break-up of Conrail. Mr David Goode, chief executive of Norfolk Southern, said he believed the acquisition would promote growth and "that's going to be jobs".

Reuter, Washington

Cementos Samper $1bn in red

Cementos Samper, the Colombian cement producer owned by Mexican group Cemex, reported net losses of 9.1bn pesos ($1.15bn) in 1996. No comparative figure was given. Second-half losses were 13.7bn pesos after profits of 4.6bn pesos in the first half of the year. The company blamed the losses on a fall in non-operational income in the second half.

Reuter, Bogota

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COMPANIES AND FINANCE: UK

Norwich Union details flotation plan

By Christopher Brown-Humes

Norwich Union said yesterday it aimed to give its 2.9m policyholders a higher-than-expected average windfall of more than £1,000 ($1,590) as it announced details of its £5bn flotation this summer.

This would lift the amount being paid out to members of six demutualising financial services groups – five of them building societies – to as much as £25bn this year. One in three adults will benefit from the unprecedented bonanza.

The Norwich Union payout would be twice the £500 indicated by the group last October, partly reflecting the recent strong run by life company shares. Policyholders will be given 1.3bn free shares, expected to be worth about £3.15bn.

Norwich Union – the first UK life insurer to demutualise and float – will be a FTSE top 50 company.

About 1.8m with-profits policyholders will receive at least 300 free shares, with additional shares paid to reflect the size and length of policies. A further 1.1m non-profit members will each get a fixed 150 shares.

The shares would each have been worth between 220p and 265p, according to Dresdner Kleinwort Benson, adviser to the group, if they had been listed at the end of February.

The structure means 75 per cent of with-profits policyholders will get between 300 and 600 shares, while 133,000 will receive more than 1,200 shares. The highest pay-out – for someone with a big Norwich Union pension – is likely to exceed £5,000. General insurance policyholders will not get anything.

About 500,000 overseas policyholders could receive cash, rather than shares, depending on regulations in individual countries.

The group plans to raise £1.75bn of new capital from members, who can buy shares at a discount, and institutional investors.

It plans to take its general insurance operations from out of its life fund and needs £1.5bn to plug the hole that will be left. The £250m balance will provide £130m of working capital and cover the £120m cost of float.

The group will hold a special meeting in London on April 18 to approve its plans ahead of an expected June flotation. Backing is needed from 75 per cent of policyholders who vote.

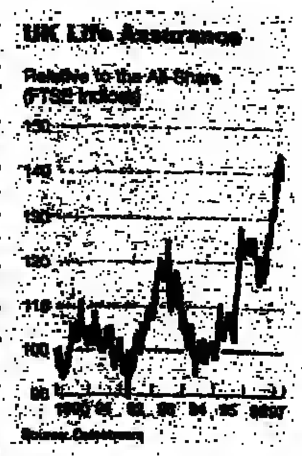
Mr Allan Bridgewater, chief executive, declined to say whether there had been any approaches from groups interested in buying the company – or its general business – since it announced flotation plans, but stressed there had been no talks.

The group disclosed 1996 operating profits before tax of £483m and said it would have paid a net dividend of £205m for the year.

Lex, Page 14

LEX COMMENT

UK pensions



Britain's uncompensated victims of pension mis-selling will naturally be deeply sceptical of any solution proposed by a mis-seller. All the same, Legal & General's suggested wheeze deserves a more open-minded hearing than it seems to be getting from the Personal Investment Authority. Why? Because it could be better for the victims. The current problem is not doubt that compensation has to be paid; just that very few have actually received it. The PIA may be justifiably sceptical of the insurers' excuse – the bureaucratic nightmare of getting compensation agreed. But even so, the idea of giving victims redress without having to wait for this tortuous process has powerful attractions. Under L&G's proposal, guilty mis-sellers would themselves guarantee to pay a pension for the missing years equal to what an occupational pension pays or would have paid – whatever it costs. And they would back the promise now by setting aside reserves. For victims, the outcome would in effect be the same as under the PIA process – just quicker.

Of course, not all insurers would be prepared to offer guarantees. And the approach could not work for every victim. But the PIA's problem would at least be substantially cut down, allowing it to put its energy into the more intractable cases. And fair though it is to ask tough questions of a scheme like this, the PIA simply cannot afford to be closed to fresh thinking. If it is, the industry and its victims are in for some long fractious years.

British-Borneo set to double exploration costs

By Jane Martinson

British-Borneo Petroleum Syndicate, the fast-growing UK oil independent, is set to almost double its expenditure on exploration and development to £175m ($278.3m) this year.

Commenting on the company's results, Mr Alan Gaynor, chief executive, said that 1996 had been a milestone year in which the company had more than doubled its market value after successfully appraising its first field in the deep water Gulf of Mexico.

He described 1997 as "the year in which we shift into a higher gear".

The level of the planned expenditure, up from £90m last year, surprised some analysts.

Up to £75m will be spent on exploring 30 wells.

Mr Gaynor said the exploration programme would help British-Borneo maintain its growth rate.

He also saw potential in expanding alliances with large oil companies such as Royal Dutch Shell by providing specialist services in deep water areas.

"What we would like to be is the Marks and Spencer supplier to these guys," he said.

He said that if one of the larger companies were to take over British-Borneo, whose share price has been buoyed by bid speculation, it could "destroy what allows us to add value".

The company also intends to start looking for other deep water prospects, possibly in Brazil and west Africa.

The shares fell 17p to 441½p after rising strongly in recent weeks.

Net income rose 38 per cent to £14.4m (£10.4m) last year because of increased production and higher oil prices.

Sales rose 41 per cent to £54.2m (£38.4m) while operating profits rose 30 per cent to £21.7m (£16.6m).

Proven and probable reserves rose 145 per cent to 94.5m barrels of oil.

A final dividend of 5.25p makes a total of 8.25p, up 10 per cent.

Earnings rose just 2 per cent to 23.51p (22.96p) following last year's rights issue and a £2.4m write-off for exploration costs.

Gearing fell from 49.5 per cent to 29 per cent and is set to rise to 100 per cent by the year-end.

Fergus Wilkie

Alan Gaynor: will shift into a higher gear this year

I&S loses BBA Pension Scheme

By George Graham, Banking Correspondent

Ivory & Sime, the troubled Edinburgh fund manager, suffered another blow yesterday when it lost one of its biggest pension fund clients.

BAA Pension Scheme said it was moving £460m ($731.4m) of UK equities currently managed by Ivory to rival Mercury Asset Management. That will cut Ivory's funds under management by 12 per cent to £3.3bn and take almost £1m out of Ivory's gross revenues, which last year totalled £17.3m.

Although Ivory's investment performance has been good, the continued upheavals in the company's fund management team have alienated clients. "Their performance numbers have been good, but there has been the problem of losing people, which they seem to suffer from with some regularity," complained one.

Ivory has suffered internal ructions for years, but they came to a head last month when Mr Colin Hook was ousted as managing director. Sir David Kinloch, deputy chairman of Caledonia Investments, Ivory's largest shareholder, took over as executive chairman.

Sir David said yesterday that it was "very disappointing to lose a client of this stature, particularly when Ivory & Sime has delivered outstanding performance over both the short and the longer term."

He said BAA's move was "part of the well known trend of big pension funds moving towards the very bid fund managers."

The decision to oust Mr Hook followed the defection of Mr John Dodd and three colleagues running the small companies funds to set up their own investment management house.

Ivory has, however, hired the small companies team from Scottish Amicable Investment Managers, whose mutual parent is in the process of sifting takeover bids from Prudential, Abbey National and Australian Mutual Provident. Ivory's shares were marked down 8 per cent to 230½p.

Guinness' record profits nudge £1bn

By David Blackwell

Guinness shares were the top performer on the FTSE 100 yesterday after the spirits and brewing group reported pre-tax profits ahead of expectations at a record £975m ($1.5bn) last year.

Mr Tony Greener, chairman, described 1996 as a "landmark year". The group had started to see evidence that its strategy of focusing on core brands and organic growth was working. The shares rose 15½p to close at 501½p. The latest profits compare with £876m. Turnover from continuing operations edged ahead from £4.68bn to £4.73bn. Mr Greener said pre-tax profits would have been £1bn but for the £25m interest cost of the share buy-back last year.

In the US, consumption of Johnnie Walker Red Label and Dewar's rose for the first time in many years. Malt whisky sales were 20 per cent higher, but overall Scotch whisky volumes were down by 1 per cent as trade stocks were reduced.

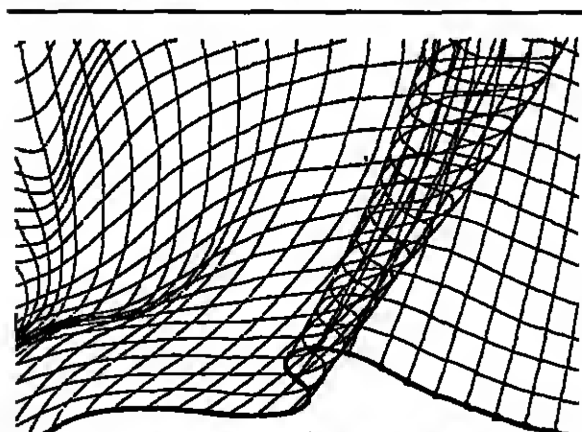
An average price rise of 1¼ per cent was achieved across the division, and further gains are expected. Trading profit declines in the US, UK and continental Europe were offset by gains in other parts of the world.

The brewing division lifted profits from £270m to £283m, helped by the Guinness stout brand, which increased volumes in all key areas.

Cruzcampo, the Spanish brewing subsidiary which accounted for most of the 1995 reorganisation charge, maintained volumes in a declining market. Profits remained flat at level exchange rates, and the group warned it would be a long time before the profits of the early years of ownership would be regained.

The contribution to group profits from Moët Hennessy increased from £111m to £113m. A 19 per cent increase in champagne profits was offset by a 7 per cent decline in cognac profits.

LVMH results, Page 17



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FT Discovery

Tesco revives ABF talks on Irish purchases

By Peggy Hollinger and John Murray Brown

Tesco was back at the negotiating table with Associated British Foods yesterday after advanced talks over the £630m ($1bn) purchase of the food manufacturer's Irish supermarket chains broke down late on Wednesday night.

The negotiators are hoping to announce a deal shortly, perhaps today. A telephone conversation yesterday morning between Sir Ian MacLaurin, Tesco chairman, and Mr Garry Weston, ABF chairman, revived the talks, which fell apart when the disposal price changed hours before the deal was due to be signed.

Tesco and ABF are understood to have been in talks over the sale of the Quinnsworth, and Stewarts/Crazy Prices supermarket chains for about three months.

Although ABF does not publish returns from the three chains, analysts estimate they made operating profits of about £59m on sales of just over £1bn last year.

Some suggested Tesco would be paying a full price if the deal was struck at £630m. "They would be pushing it if they went any higher, in light of the fact that additional investment will be required which is not yet quantified," said Mr Mike Dennis, retail analyst with NatWest Securities. He said the businesses' estimated 5 per cent margins would need to be lifted to about 8 per cent.

For ABF, a deal at that level would leave the food manufacturer with net cash of £1.4bn. Analysts thought it would invest in at least one of the businesses being sold by Unilever – National Starch or Quest.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Abbott Mead Vickers	Yr to Dec 31	358.4	(287.1)	14.5	(10.4)	24.06†	(18.94)	7.75	June 18	6.25	11	9
Airtech Φ	Yr to Dec 31	6.22	(2.83)	0.688L♠	(0.25L)	2.38L†	(1L)	-	-	-	-	-
Albright & Wilson	Yr to Dec 31	857.8	(844.2)	62.5♠	(55♠)	13.9	(12.3)	4.65	May 30	4.35	6.9	6.5
APV	Yr to Dec 31	772	(881.9)	15♠	(26.9)	3.7	(7.2)	1.7	July 1	1.7	2.7	2.7
Aspen Comms	Yr to Dec 31	97.8	(103)	1.59♥	(3.18)	6.3	(14.9)	3.75	June 19	3.75	6.25	6.25
Beauford	Yr to Dec 31	37.1	(41.1)	1♠	(2)	1.42	(3.87)	0.5	July 1	0.4	0.75	0.6
Bilston/BatterseaΦ	Yr to Dec 31	7.56	(6.34)	0.545	(0.31)	3.8	(2.8)	1.5	May 9	nil	1.5	nil
BLP	Yr to Dec 31	35.2	(31.3)	1.41♠	(0.916)	18.3	(11)	3.5	May 26	2.2	5	3.3
Blagden Inds	Yr to Dec 31	240.5	(239.4)	8.1♠	(9.06)	4.4	(8.3)	2.2夫	May 27	2	3.2	2
British-Borneo	Yr to Dec 31	54.2	(38.4)	19.5	(13.8)	23.51†	(22.96)	5.25	June 8	4.833	8.25	7.5
Brixton Estate	Yr to Dec 31	74.5□	(75.8□)	36.1♥	(35.1♥)	12.01	(11.58)	5.85	July 11	5.65	9	8.7
Burford	Yr to Dec 31	32.9	(34.4)	15.1♥	(11.7♠)	3.3†	(2.97)	1.15	May 6	1.1	2.1	1.95
Colleagues	Yr to Dec 31	31.2	(51.3)	1.01	(3.86)	3	(12)	3	Apr 30	3	4.5	4
Country Gardens Φ	Yr to Dec 31	34.7	(23.5)	2.27	(1.2)	10.7	(5)	1.8	July 1	1.38	1.6	1.38
Courtaulds Textiles	Yr to Dec 31 ★	1,007	(1,120)	0.4♠	(36.5♠)	5L	(25.4)	10.1	May 16	10.1	15.3	15.3
Ulcom Φ	6 mths to Dec 31 ⚘	25	(14.3)	1.91	(1.15)	13.2	(11.4)	0.8	May 5	-	-	0.75
Edinburgh Oil & Gas	Yr to Dec 31	3.9	(3.29)	0.643	(0.564)	1.84	(1.62)	0.28	Apr 25	0.25	0.28	0.25
English & O'seas	Yr to Dec 31	5.97	(6.95)	5.38L♠	(0.631L♠)	7.28L	(0.83L)	nil	-	0.6	0.3	0.93
Flomerics Φ	Yr to Dec 31	5.33	(4.15)	0.478	(0.418)	12.3	(11)	3	May 8	2.6	3	2.6
Geest	Yr to Dec 28	401.5	(659.8)	32.3♥	(0.5L♠)	37.1	(3.5L)	4.7	July 1	4.4	8.4	8.1
Guinness	Yr to Dec 31	4,730	(4,681)	975	(878♠)	35.1‡	(29.4)	11.55	May 20	10.7	16.1	14.9
IAWS ♣	6 mths to Jan 31	270.4	(248)	6.11	(4.8)	3.89	(2.79)	1.531	June 23	1.392	-	2.923
Ibstock	Yr to Dec 31	267.3	(250)	8.26♠	(26.1♠)	1.85†	(5.86)	1.25	July 1	1.25	2	2
Independ Energy Φ	6 mths to Dec 31	2.76	(-)	0.597L	(-)	4.5L	(-)	-	-	-	-	-
Intereurope Tech	6 mths to Dec 31	3.08	(3.07)	0.446	(0.164)	6.45	(2.38)	1.1	Apr 30	1	-	3.9
Irish Life ♣	Yr to Dec 31 ★	743.8■	(767■)	153.1	(149.2)	31.42	(31.06)	6.5	May 23	7.75	12.05	11
Keller	Yr to Dec 31	234.7	(218.9)	12.5	(11.2)	13.9	(11.7)	3.9夫	May 30	3.55	5.85	5.3
Kwik-Fit	Yr to Feb 28	426.9	(365.4)	43.3♠	(36.3)	17.2	(14.7)	3.5	May 13	3.1	5.6	5
Laing (John)	Yr to Dec 31	1,255	(1,206)	24.5♥	(20.1♠)	17.7	(13.5)	6.5	July 4	6	9.5	9
McBride	6 mths to Dec 31	242.3	(243.1)	13.2	(8)	5.7	(3.7)	2.35	May 19	2.25	-	6.7
Merivale Moore	6 mths to Dec 31	1.55	(3.55)	0.679♠	(1.03)	2.7‡	(4.06)	0.75	Apr 25	1.5	-	3.5
Microvitec	Yr to Dec 31	65.2	(55.1)	0.461♠	(3.41)	0.21	(3.14)	0.45	July 1	0.45	0.875	0.85
Morrison (Wm)	Yr to Feb 2	2,176	(2,099)	135.8	(127.1)	11.01	(10.67)	1.375	May 16	1.125	1.7	1.4
National Express	Yr to Dec 31	492.5	(317.7)	80.1♠	(41.5♠)	42.9†	(35.5)	8.1	May 2	7	11.5	10
Pegasus	Yr to Dec 31	7.91	(6.43)	1.16♠	(0.893♥)	15.4	(10.3)	5	June 6	4	7	6
Queens Moat Houses	Yr to Dec 29 ★	449.8	(454.1)	15♥	(42.4♥)	4.2†	(13.5)	nil	-	nil	nil	nil
Rage Software	6 mths to Dec 31	3.98	(4.14)	1.75L	(1.23L)	0.85L†	(0.44L)	-	-	-	-	-
Richardson W'garth	Yr to Dec 31	117.4	(104.6)	5.58	(4.63)	10.1	(8.6)	2.7	-	2.25	4.1	3.85
Rugby	Yr to Dec 31	1,144	(1,143)	52.6♥	(45.8♠)	5.3	(4.5)	2.1	May 30	2.1	3.6	3.6
Servisair	Yr to Dec 31	153.9	(127.9)	7.14♠	(5.96)	12.7	(10.7)	3.45	May 28	2.9	5.1	4.3
Steel Burrill Jones	Yr to Dec 31	39.9	(43.2)	2.21	(5.71)	3.62†	(7.67)	0.75	May 22	3	1.5	4.5
TDS Circuits	Yr to Dec 31	13.3	(10.1)	0.742	(0.286)	2.17	(0.01)	-	-	-	-	-
Telspec	Yr to Dec 31	63.5	(58.8)	9.91L♠	(8.73)	23.1L	(17.9)	0.1	Apr 7	3.6	0.1	5.4
Therapeutic A'bods	Yr to Dec 31 $	3.27	(0.75)	12.7L	(9.1L)	66L†	(57L)	-	-	-	-	-
Tottenham Hotspur	6 mths to Jan 31	17.1	(15.1)	8.03	(10.7)	5.7†	(10.9)	0.33	Apr 28	0.3@	-	1@
Usborne	6 mths to Dec 31	92.8	(86.5)	0.416♥	(0.325)	0.97	(0.76)	-	-	-	-	1
Vision	6 mths to Jan 31	7.22	(1.07)	0.121	(0.895L)	0.34†	(2.8L)	-	-	-	-	-

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
BZW Endowment	6 mths to Jan 31	127.3	(112.7)	1.32	(1.1)	6.58	(5.48)	-	-	-	-	-
Foreign & Colonial	Yr to Dec 31 ★	168.4	(160.7)	30.6	(25.4)	2.91	(2.41)	1.58	Apr 28	1.4365	2.28	2.07
Premium	6 mths to Feb 28 ★	119.8	(106)	0.237	(0.325)	1.2	(1.64)	1.5	May 16	1.5	-	3.8
Schroder Japan	6 mths to Jan 31 ★	59.12	(66.12♦)	0.45L	(0.593L)	0.38L	(0.47L)	-	-	-	-	-

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ♠After exceptional charge. ♥After exceptional credit. †On increased capital. ΦAim stock. 夫Foreign income dividend. □Net rental income. ⚘Comparatives pro forma. ★ Comparatives restated. ‡On reduced capital. ♣Irish currency. ■Total premiums. $US currency. @Adjusted for share subdivision. ♦At July 31.

NEWS DIGEST

Waterford Foods seeks bank talks

Waterford Foods, the Irish foods group which issued a profits warning on Tuesday, is seeking to renegotiate with a bank syndicate, led by Chase Manhattan, the US bank, after informing lenders that it had breached the terms of its loans.

On Tuesday the company told the stock exchange that "difficulties" had emerged in both its Irish milk business, and UK juice business. But in a letter to banks from Mr Michael Dempsey, the group's finance director, dated Wednesday – and obtained by the Financial Times – the company admitted that in 1996 "the interest and leverage covenants will be in breach and the headroom on the debt service and minimum net worth covenants much reduced."

The covenants are based on prudential ratios and used to provide comfort to banks. One Dublin banker said a breach would technically allow the banks to call in the loans.

The company is seeking to renegotiate the terms of the convenant on both the gearing and interest cover. It said discussions about the covenants were a "confidential matter between the company and the banks" and refused to elaborate. Chase was unavailable for comment.

John Murray Brown in Dublin

Hanson buys US pipe maker

Hanson is to buy one of the biggest concrete pipe manufacturers in the US marking the building material group's first purchase since it demerged from the former conglomerate. The group has agreed to pay £78m ($124m), including debt, for Concrete Pipe and Products (CPP) which has a market share of 7 per cent and operates in Virginia, Texas, California and Maryland.

Hanson already has 5.9 per cent of the US concrete pipe market through its Cornerstone aggregates and concrete subsidiary which, last year, generated operating profits of £71m from just over £1bn of sales.

CPP, which last year generated operating profits of about £10m on sales of £66m is likely to be the first in a series of bolt-acquisitions and capital expenditure by Hanson which has identified the US aggregates and concrete sector has having strong growth potential.

The purchase, which has received regulatory approval, is expected to be completed next month. *Andrew Taylor*

Natl Express looks to Europe

National Express Group yesterday announced it had axed a fifth of the workforce at the two rail franchises it took over last year, amid mounting public concern about the impact of privatisation on train services nationwide.

At the same time, the company said it was looking to expand in continental Europe as governments there were moving towards privatisation. Mr Phil White, chief executive, said the company should be able to exploit expertise learned in the UK to take over businesses in its areas of bus, coach, rail and airport operations. But, he said, "we would much prefer to work with a local partner in a joint venture relationship". *Ross Tieman*

T&N buys Metal Leve arm

T&N, the motor components and engineering group, yesterday expanded its presence in the pistons industry by acquiring the US arm of Metal Leve, the Brazilian auto parts manufacturer, for $54m. The company, which has been tracking Metal Leve for several years, said the deal would help it become one of the world's largest pistons manufacturers.

It is understood to have beaten off rival offers from Dana of the US and Kolbenschmidt of Germany – which T&N has also been pursuing – with its cash bid.

Metal Leve was ordered to sell the business last month by the US federal trade commission. It insisted on the sale as a condition for approving the proposed acquisition of 50.1 per cent of Metal Leve by Mahle, the German pistons group and one of T&N's main competitors.

The FTC – angered that Metal Leve and Mahle did not give advance notice of that deal – has fined the two companies more than $5m, the largest civil penalty ever collected for failing to file for anti-trust review on such a transaction.

Tim Burt

QMH plans German sell-offs

Queens Moat Houses, the heavily indebted hotels group, said yesterday it would reduce its portfolio of 36 hotels in Germany to help cut borrowings and raise funds for investment.

Mr Andrew Coppel, chief executive, said: "We've got the UK portfolio down to where we want it to be and we will replicate the process in Germany."

The company expects to complete the sale of two German hotels soon – expected to raise DM18m ($10.5m) – and three more are likely to be put on the market. The company also aims to extract itself eventually from up to five of its 11 leasehold properties in Germany. Mr Coppel said a "core" of 20 hotels in Germany accounted for up to three-quarters of trading profits from that division.

Scheherazade Daneshkhu

CURRENCIES AND MONEY

Rate rise expectations help dollar

MARKETS REPORT

By Emiko Terazono

Increased prospects of a US interest rate rise supported the dollar, which strengthened against the D-Mark and the yen after a volatile session.

The US currency closed up 0.5 pfennigs at DM1.687 and at Y123.5, firming by Y0.7. Mr Alan Greenspan, chairman of the Federal Reserve, told the US Congress's joint economic committee that the economy retained a "great deal of vigour" and the labour market was strong. He stressed the importance of a pre-emptive action to keep inflation under control.

His comments were supported by the report from the Federal Reserve Bank of Philadelphia indicating robust business activity in the manufacturing sector during March.

The dollar's rebound followed a bout of earlier selling on the release of US trade data. It revealed a sharp rise in the US trade deficit for the second consecutive month in January, hitting its highest level in more than nine years, sending the US currency down sharply against the D-Mark and the yen.

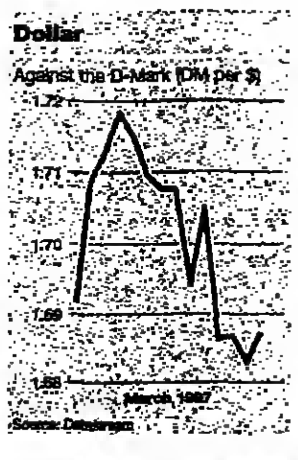
Traders, however, later chose to interpret the poor trade data in favour of the dollar. "With the buoyant economy leading to a sharp rise in exports, the macro environment is dollar positive," said Mr Tony Norfield, currency strategist at ABN Amro Bank in London.

But while there seems to be further scope for the dollar to gain ground against the D-Mark, yesterday's trada data may limit its rise against the yen. A possible US rate rise would widen interest rate differentials further increasing the attractiveness of US assets for Japanese investors, but the sharp rise in the US trade deficit is likely to fuel trade tensions between the two countries.

There remains uncertainty over what effect the possible volatility on international equity markets caused by monetary tightening by the Fed will have on the dollar.

Mr Greenspan's comments caused ripples in European stock markets yesterday while analysts voiced concerns that turbulence on US stock markets could hit the dollar.

"Wall Street's prospective earnings in relation to bond yields make it look vulnerable and a sharp drop in the Dow would be negative for the dollar," said Mr Julian Callow, European economist at Dresdner Kleinwort Benson.



■ The dollar's rise against the D-Mark halped the pound. Sterling firmed against the German currency, rising 0.3 pfennigs to DM2.689 after falling below DM2.67 in earlier trading. The pound moved in tandem with the US currency, littla affected by the release of lower-tban-expected UK retail price inflation figures, and a slew of positive corporate profit announcements. In spite of the recent sell-off of the pound due to pre-election worries, most strategists see the decline of sterling ahead of the elections on May 1 to be over. With tha economy showing continuing signs of strength, investors should not see particular reason to move to sell the pound, they said.

■ The recovery of Swedish bonds due to a lower inflation outlook announced by the country's central bank helped the krona. It rose SKr0.02 against the D-Mark, closing at SKr4.541. In its quarterly inflation report, the Riksbank lowered its inflation forecasts for this year and 1998, ruling out expectations of an increase in interest rates. The central bank also forecast moderate economic growth predicting a 2 per cent rise in GDP this year.

The Riksbank tried to provide some support for the krona, commenting that the currency was fundamentally undervalued. It said that the *appropriate level for the currency*, currently at 123 on the trade weighted index, at a nominal 110-119. However, economists predict a series of events in the near term adding pressure to the currency. Ms Crystal Arnda-Hassel, senior economist at Enskilda Capital Markets, said jitters are likely to intensify ahead of April when the deregulation of overseas investment rules could trigger an increase in capital outflow, and the government's supplementary budget is likely to increase pessimism towards its fiscal health.

■ Pound in New York

Mar 20	—Latest—	– Prev. close –
£ spot	1.5940	1.5975
1 mth	1.5933	1.5966
3 mth	1.5915	1.5948
1 yr	1.5833	1.5860

■ OTHER CURRENCIES

Mar 20	£	$
Czech Rp	46.9023 - 46.9897	29.4280 - 29.4680
Hungary	281.061 - 281.272	176.340 - 176.390
Iran	4783.80 - 4781.40	3000.00 - 3000.00
Kuwait	0.4834 - 0.4840	0.3033 - 0.3035
Poland	4.9089 - 4.9162	3.0800 - 3.0830
Russia	9108.57 - 9114.73	5715.00 - 5716.00
U.A.E.	5.8492 - 5.8570	3.6700 - 3.6730

POUND SPOT FORWARD AGAINST THE POUND

Mar 20		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	18.9248	+0.0229	187 - 328	18.9723	18.7795	18.8813	2.8	18.8246	2.1	-	-	104.0
Belgium	(BFr)	55.4503	+0.0481	005 - 001	55.7670	55.0300	55.3253	2.7	55.0653	2.8	53.7403	3.1	104.0
Denmark	(DKr)	10.2487	+0.0015	445 - 528	10.3088	10.1816	10.2257	2.6	10.1832	2.8	9.9732	2.7	105.4
Finland	(FM)	8.0799	+0.0091	739 - 859	8.1200	8.0230	-	-	-	-	-	-	83.3
France	(FFr)	9.0710	+0.0129	671 - 749	9.1150	9.0032	9.0488	2.9	9.0052	2.9	8.7881	3.1	105.9
Germany	(DM)	2.6889	+0.0031	878 - 899	2.7038	2.6677	2.6822	3.0	2.6687	3.0	2.602	3.2	105.8
Greece	(Dr)	423.818	+0.329	552 - 084	425.413	421.325	-	-	-	-	-	-	66.5
Ireland	(I£)	1.0187	-0.0003	178 - 196	1.0223	1.0153	1.0184	0.4	1.0175	0.5	1.0109	0.8	102.8
Italy	(L)	2695.31	+4.3	384 - 679	2708.24	2680.13	2698.71	-1.5	2703.56	-1.2	2706.36	-0.4	75.7
Luxembourg	(LFr)	55.4503	+0.0481	005 - 001	55.7670	55.0300	55.3253	2.7	55.0653	2.8	53.7403	3.1	104.0
Netherlands	(Fl)	3.0268	+0.0017	246 - 289	3.0411	3.0045	3.0187	3.2	3.0029	3.2	2.9274	3.3	103.5
Norway	(NKr)	10.7714	-0.0272	671 - 757	10.9260	10.7254	10.7469	2.7	10.6984	2.7	10.4729	2.8	100.0
Portugal	(Es)	270.711	+0.376	564 - 859	272.133	268.753	270.851	-0.6	271.136	-0.6	-	-	94.6
Spain	(Pta)	228.210	+0.202	073 - 347	229.480	226.850	228.344	-0.7	228.21	0.0	226.735	0.6	78.1
Sweden	(SKr)	12.2058	-0.0457	967 - 148	12.3409	12.1327	12.1868	1.9	12.1473	1.9	11.9615	2.1	84.0
Switzerland	(SFr)	2.3051	-0.0031	037 - 064	2.3158	2.2791	2.2963	4.6	2.2784	4.6	2.1942	4.8	104.0
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	96.3
Ecu	-	1.3875	+0.0007	865 - 884	1.3949	1.3790	1.3853	1.9	1.3806	2.0	1.3555	2.3	-
SDR†	-	1.15726	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5930	-0.0031	935 - 943	1.6022	1.5927	-	-	-	-	-	-	-
Brazil	(R$)	1.6912	-0.0029	905 - 916	1.7409	1.6895	-	-	-	-	-	-	-
Canada	(C$)	2.1973	-0.0018	963 - 983	2.2073	2.1902	2.1914	3.2	2.1807	3.0	2.1361	2.8	85.0
Mexico	(New Peso)	12.6584	+0.0085	452 - 675	12.7078	11.7249	-	-	-	-	-	-	-
USA	($)	1.5942	-0.0031	938 - 946	1.6025	1.5930	1.5934	0.6	1.5917	0.6	1.5854	0.6	104.4
Pacific/Middle East/Africa													
Australia	(A$)	2.0235	-0.0098	223 - 246	2.0365	2.0213	2.0234	0.1	2.0226	0.2	2.0185	0.2	98.8
Hong Kong	(HK$)	12.3500	-0.0235	461 - 538	12.4154	12.3418	12.3453	0.5	12.3344	0.5	12.2942	0.5	-
India	(Rs)	57.2079	-0.0935	537 - 621	57.5180	57.1520	-	-	-	-	-	-	-
Israel	(Shk)	5.3711	+0.0029	649 - 772	5.3844	5.3565	-	-	-	-	-	-	-
Japan	(Y)	196.788	+0.725	659 - 917	197.200	195.180	195.818	5.9	193.958	5.8	185.348	5.8	122.6
Malaysia	(M$)	3.9493	+0.0001	475 - 511	3.9666	3.9454	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.3053	-0.0094	035 - 070	2.3131	2.2984	2.3082	-1.5	2.3133	-1.4	2.3335	-1.2	115.0
Philippines	(Peso)	41.9801	-0.0935	329 - 273	42.1610	41.9318	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.9790	-0.0114	772 - 807	6.0091	5.9747	-	-	-	-	-	-	-
Singapore	(S$)	2.3068	+0.0067	054 - 082	2.3136	2.3014	-	-	-	-	-	-	-
South Africa	(R)	7.0639	-0.0071	605 - 673	7.1054	7.0604	-	-	-	-	-	-	-
South Korea	(Won)	1410.07	-3.5	658 - 361	1418.53	1408.01	-	-	-	-	-	-	-
Taiwan	(T$)	43.8724	-0.0988	295 - 153	44.1086	43.8289	-	-	-	-	-	-	-
Thailand	(Bt)	41.3855	-0.0344	591 - 118	41.5770	41.3250	-	-	-	-	-	-	-

† Rates for Mar 19. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T. The exchange rates printed in this table are also available on the internet at http://www.FT.com

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Mar 20		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J P Morgan index
Europe													
Austria	(Sch)	11.8710	+0.0369	689 - 731	11.8770	11.7590	11.8563	1.5	11.811	2.0	11.616	2.1	103.8
Belgium	(BFr)	34.7825	+0.0965	600 - 050	34.8300	34.4670	34.7225	2.1	34.595	2.2	34.055	2.1	104.0
Denmark	(DKr)	6.4287	+0.0132	277 - 297	6.4402	6.3750	6.4198	1.7	6.4014	1.7	6.3197	1.7	105.6
Finland	(FM)	5.0683	+0.0153	658 - 708	5.0723	5.0286	5.0595	2.1	5.0408	2.2	4.9583	2.2	82.3
France	(FFr)	5.6900	+0.0189	890 - 910	5.6917	5.6387	5.6783	2.3	5.6523	2.2	5.55	2.5	106.5
Germany	(DM)	1.6867	+0.0052	864 - 869	1.6878	1.6708	1.6835	2.3	1.677	2.3	1.6433	2.6	105.4
Greece	(Dr)	265.850	+0.71	750 - 950	266.300	263.770	267.405	-7.0	269.975	-6.2	281	-5.7	66.3
Ireland	(I£)	1.5650	-0.0025	640 - 660	1.5750	1.5640	1.5645	0.3	1.564	0.3	1.5653	0.0	-
Italy	(L)	1690.70	+5.82	020 - 120	1691.20	1677.95	1693.7	-2.1	1698.55	-1.9	1708.35	-1.0	75.5
Luxembourg	(LFr)	34.7825	+0.0965	600 - 050	34.8300	34.4670	34.7225	2.1	34.595	2.2	34.055	2.1	104.0
Netherlands	(Fl)	1.8988	+0.0047	977 - 995	1.9001	1.8808	1.8948	2.4	1.8868	2.5	1.8513	2.5	103.4
Norway	(NKr)	6.7566	-0.0042	556 - 576	6.8245	6.7105	6.7528	0.7	6.7472	0.6	6.7216	0.5	101.9
Portugal	(Es)	169.810	+0.58	760 - 860	170.670	168.500	169.94	-0.9	170.09	-0.7	169.825	0.0	95.3
Spain	(Pta)	143.150	+0.4	100 - 200	143.240	142.000	143.24	-0.8	143.36	-0.6	143.155	0.0	77.8
Sweden	(SKr)	7.6564	-0.014	526 - 601	7.7081	7.6065	7.6538	0.4	7.6437	0.7	7.5964	0.8	83.2
Switzerland	(SFr)	1.4459	+0.0008	454 - 464	1.4488	1.4287	1.4411	3.9	1.4317	3.9	1.3861	4.1	103.8
UK	(£)	1.5942	-0.0031	938 - 946	1.6025	1.5930	1.5934	0.6	1.5917	0.6	1.5854	0.6	96.2
Ecu	-	1.1490	-0.0028	485 - 495	1.1561	1.1484	1.1502	-1.2	1.1527	-1.3	1.168	-1.6	-
SDR†	-	0.725416	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9998	-	998 - 999	0.9998	0.9998	-	-	-	-	-	-	-
Brazil	(R$)	1.0609	+0.0003	607 - 610	1.0900	1.0587	-	-	-	-	-	-	-
Canada	(C$)	1.3783	+0.0014	780 - 786	1.3786	1.3748	1.3755	2.5	1.3702	2.4	1.3489	2.1	84.8
Mexico	(New Peso)	7.9390	+0.0205	340 - 440	7.9440	7.9340	8.057	-17.8	8.3235	-19.4	9.184	-15.7	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	104.8
Pacific/Middle East/Africa													
Australia	(A$)	1.2693	-0.0037	689 - 697	1.2708	1.2688	1.27	-0.7	1.2708	-0.5	1.2761	-0.5	100.3
Hong Kong	(HK$)	7.7468	+0.0001	463 - 473	7.7482	7.7460	7.7467	0.0	7.7473	0.0	7.7583	-0.1	-
India	(Rs)	35.8850	+0.01	800 - 100	35.9120	35.8500	36.1	-7.2	36.56	-7.5	-	-	-
Israel	(Shk)	3.3691	+0.0082	661 - 721	3.3723	3.3581	-	-	-	-	-	-	-
Japan	(Y)	123.440	+0.69	390 - 490	123.570	122.180	122.905	5.2	121.88	5.1	117.08	5.2	124.1
Malaysia	(M$)	2.4773	+0.0048	768 - 778	2.4785	2.4715	2.4802	-1.4	2.4855	-1.3	2.5068	-1.2	-
New Zealand	(NZ$)	1.4460	-0.0032	453 - 468	1.4468	1.4428	1.4483	-1.9	1.4526	-1.8	1.4733	-1.9	-
Philippines	(Peso)	26.3330	-0.002	100 - 560	26.3560	26.3100	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7505	-	503 - 506	3.7506	3.7503	3.7508	-0.1	3.7512	-0.1	3.7531	-0.1	-
Singapore	(S$)	1.4470	+0.007	465 - 475	1.4475	1.4398	1.4448	1.8	1.4403	1.9	1.418	1.8	-
South Africa	(R)	4.4310	+0.004	300 - 320	4.4455	4.4250	4.4717	-11.0	4.5487	-10.4	4.8615	-9.7	-
South Korea	(Won)	884.500	-0.5	500 - 500	886.500	882.500	-	-	-	-	-	-	-
Taiwan	(T$)	27.5200	-0.01	000 - 400	27.5450	27.5000	27.5201	0.0	27.5203	0.0	-	-	-
Thailand	(Bt)	25.8600	+0.028	500 - 700	25.9750	25.8250	26.05	-4.2	26.2175	-4.0	26.855	-3.4	-

† SDR rate per $ for Mar 19. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Mar 19: Base average 1990=100.
The exchange rates printed in this table are also available on the internet at http://www.FT.com

WORLD INTEREST RATES

MONEY RATES

March 20	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.00	2.50	-
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.10	-	4.75
Germany	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.50	2.50	3.00
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	6.25
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.25	6.75	7.45
Netherlands	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	3.00	3.30
Switzerland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	1.00	-
US	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	5.00	-
Japan	[illegible]	[illegible]	[illegible]	½	[illegible]	-	0.50	-
■ $ LIBOR FT London								
Interbank Fixing	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-
US Dollar CDs	-	5.34	5.42	5.56	5.86	-	-	-
ECU Linked Ds	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-
SDR Linked Ds	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo Mitsubishi, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Mar 20	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	4 - 3½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Danish Krone	[illegible]	[illegible] - 3½	[illegible]	[illegible]	[illegible]	[illegible] - 4
German Mark	3⅛ - 3	[illegible] - 3½	[illegible]	[illegible]	[illegible]	3½ - 3¼
Dutch Guilder	[illegible] - 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	3¼ - [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] - 3½
Portuguese Esc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spanish Peseta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sterling	[illegible]	[illegible] - 6	6⅛ - 6	[illegible] - 6¼	[illegible] - 6½	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]	2 - 1¾	2 - 1¾	[illegible]
Canadian Dollar	[illegible]	[illegible]	3⅛ - 3	[illegible]	3½ - [illegible]	[illegible]
US Dollar	[illegible]	[illegible]	5½ - [illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	8 - 7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japanese Yen	[illegible]	[illegible]	½ - [illegible]	½ - [illegible]	[illegible]	[illegible]
Asian $Sing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4½ - 4

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris Interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.50	96.50	-0.02	96.52	96.49	14,177	77,733
Sep	96.39	96.38	-0.02	96.40	96.36	1,058	45,865
Dec	96.28	96.27	-0.02	96.29	96.25	624	28,906

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.66	96.68	-	96.69	96.66	24848	214126
Sep	96.55	96.57	-	96.58	96.54	24836	188060
Dec	96.37	96.37	-0.01	96.39	96.36	21921	191377
Mar	96.16	96.18	-	96.20	96.15	23168	143028

■ ONE MONTH EUROMARK FUTURES (LIFFE)* DM3m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Apr	96.75	96.75	-0.01	96.75	96.75	497	5034
May	96.74	96.74	-0.01	96.74	96.74	175	4197
Jun	96.74	96.74	-0.01	96.74	96.74	100	535
Jul	-	96.73	-0.01	-	-	0	0

■ THREE MONTH EUROLIRA FUTURES (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	92.72	92.80	+0.00	92.87	92.69	33583	117834
Sep	92.99	93.07	+0.05	93.15	92.94	20574	57907
Dec	93.01	93.15	+0.06	93.21	93.01	8228	33917
Mar	93.01	93.16	+0.08	93.21	93.01	3622	23656

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	98.09	98.12	-	98.15	98.07	8269	43804
Sep	98.06	98.07	-0.01	98.11	98.00	6546	21227
Dec	97.90	97.94	-0.02	97.96	97.90	1793	15096
Mar	97.78	97.79	-0.00	97.82	97.74	793	6671

■ THREE MONTH EUROYEN FUTURES (LIFFE) Y100m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	99.33	99.33	-0.01	99.33	99.33	470	n/a
Sep	99.16	99.16	-0.01	99.19	99.19	50	n/a
Dec	99.05	99.04	-0.01	99.05	99.04	75	n/a

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.64	95.65	-0.01	95.67	95.64	1093	10716
Sep	95.59	95.59	-0.01	95.60	95.58	359	5336
Dec	95.47	95.47	-0.02	95.49	95.44	141	4697
Mar	95.33	95.33	-0.03	95.33	95.32	83	3628

* LIFFE futures also traded on APT

■ EUROLIRA OPTIONS (LIFFE) L1000m points of 100%

Strike Price	CALLS Jun	Sep	Dec	PUTS Jun	Sep	Dec
9275	0.32	0.65	0.82	0.27	0.33	0.42
9300	0.20	0.49	0.67	0.40	0.42	0.52
9325	0.12	0.38	0.53	0.57	0.54	0.63

Est. vol. total, Calls 1675 Puts 1126. Previous day's open int., Calls 125736 Puts 51956

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Mar 20		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.49	16.36	4.849	1.838	4860	5.459	19.42	488.2	411.5	22.02	4.157	1.803	3.962	2.875	354.9	2.503
Denmark	(DKr)	54.10	10	8.850	2.623	0.994	2629	2.953	10.51	264.1	222.6	11.91	2.246	0.976	2.143	1.555	192.0	1.354
France	(FFr)	61.13	11.30	10	2.964	1.123	2971	3.337	11.87	298.4	251.6	13.46	2.541	1.102	2.422	1.757	217.0	1.530
Germany	(DM)	20.62	3.812	3.373	1	0.379	1002	1.126	4.005	100.7	84.86	4.541	0.857	0.372	0.817	0.593	73.18	0.516
Ireland	(I£)	54.42	10.06	8.902	2.639	1	2645	2.971	10.57	265.7	223.9	11.98	2.262	0.981	2.156	1.564	193.1	1.362
Italy	(L)	2.058	0.380	0.337	0.100	0.038	100.	0.112	0.400	10.04	8.468	0.453	0.086	0.037	0.082	0.059	7.302	0.052
Netherlands	(Fl)	18.32	3.386	2.997	0.888	0.337	890.3	1	3.558	89.43	75.39	4.034	0.761	0.330	0.726	0.527	65.01	0.459
Norway	(NKr)	51.49	9.517	8.422	2.497	0.946	2502	2.811	10	251.3	211.9	11.34	2.140	0.929	2.040	1.480	182.7	1.289
Portugal	(Es)	20.48	3.786	3.351	0.993	0.376	995.6	1.118	3.979	100.	84.30	4.511	0.851	0.369	0.812	0.589	72.70	0.513
Spain	(Pta)	24.30	4.492	3.975	1.178	0.447	1181	1.326	4.720	118.6	100.	5.351	1.010	0.438	0.963	0.699	86.24	0.608
Sweden	(SKr)	45.41	8.395	7.429	2.202	0.835	2207	2.478	8.821	221.7	186.9	10	1.888	0.818	1.799	1.305	161.2	1.137
Switzerland	(SFr)	24.06	4.447	3.935	1.167	0.442	1169	1.313	4.672	117.4	99.00	5.297	1	0.434	0.953	0.692	85.38	0.602
UK	(£)	55.45	10.25	9.071	2.689	1.019	2695	3.027	10.77	270.7	228.2	12.21	2.305	1	2.197	1.594	196.8	1.388
Canada	(C$)	25.24	4.665	4.128	1.224	0.464	1227	1.378	4.902	123.2	103.9	5.558	1.049	0.455	1	0.726	89.58	0.632
US	($)	34.79	6.430	5.691	1.687	0.639	1691	1.899	6.757	169.8	143.2	7.660	1.446	0.627	1.378	1	123.5	0.871
Japan	(Y)	28.16	5.208	4.609	1.366	0.518	1369	1.538	5.473	137.6	116.0	6.204	1.171	0.508	1.116	0.810	100.	0.705
Ecu		39.95	7.385	6.535	1.937	0.734	1942	2.181	7.759	195.0	164.4	8.797	1.661	0.720	1.583	1.148	141.8	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10: Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.5982	0.5984	+0.0002	0.6020	0.5980	20,708	62,130
Sep	0.6056	0.6027	+0.0007	0.6056	0.6027	12	2,458
Dec	-	0.6060	-	-	-	10	135

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.8240	0.8255	+0.0012	0.8286	0.8220	15,187	82,384
Sep	-	0.8368	+0.0015	0.8380	-	38	747
Dec	-	0.8469	-	-	-	13	253

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.6989	0.7007	+0.0015	0.7058	0.6971	14,546	37,020
Sep	0.7102	0.7091	+0.0029	0.7125	0.7080	130	2,159
Dec	-	0.7180	+0.0046	0.7180	-	10	252

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	1.5960	1.5946	-0.0038	1.6000	1.5908	9,275	37,244
Sep	1.5904	1.5920	-0.0028	1.5940	1.5904	3	670
Dec	-	1.5900	-0.0026	-	1.5900	78	91

UK INTEREST RATES

LONDON MONEY RATES

Mar 20	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	[illegible]	[illegible]	6⅛ - 6	6⅜ - 6¼	6⅝ - 6½	7 - 6⅞
Sterling CDs	-	-	[illegible]	[illegible]	[illegible]	[illegible]
Treasury Bills	-	-	[illegible]	6 - [illegible]	-	-
Bank Bills	-	-	[illegible]	6 - [illegible]	[illegible]	-
Local authority deps.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Discount Market deps	[illegible]	6 - 5⅞	-	-	-	-

UK clearing bank base lending rate 6 per cent from October 30, 1996

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2½	5½	5	5	4¾

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1¼pc. Ave. tender rate of discount on Mar 14, 5.8452pc. ECGD fixed rate Stg. Export Finance. Make up day Feb 28, 1997. Agreed rate for period Mar 26, 1997 to Apr 21, 1997, Scheme III 7.53pc. Reference rate for period Feb 1, 1997 to Feb 28, 1997, Schemes IV & V 6.286pc. Finance House Base Rate 6½pc from Mar 1, 1997

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	93.32	93.31	-0.02	93.34	93.29	40932	123610
Sep	93.04	93.03	-0.03	93.09	92.99	36239	81135
Dec	92.83	92.78	-0.06	92.86	92.76	35178	61684
Mar	92.65	92.60	-0.08	92.68	92.59	11393	44122
Jun	92.54	92.47	-0.08	92.54	92.46	4722	36619

Also traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Jun	Sep	Dec	PUTS Jun	Sep	Dec
9325	0.17	0.12	0.12	0.11	0.34	0.59
9350	0.05	0.05	0.06	0.24	0.52	0.79
9375	0.01	0.02	0.03	0.45	0.74	1.00

Est. vol. total, Calls 12717 Puts 7657. Previous day's open int., Calls 152865 Puts 156330

EMS EUROPEAN CURRENCY UNIT RATES

Mar 20	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Ireland	0.798709	0.737808	+0.000058	-7.65	10.95	52
Portugal	197.398	195.890	+0.016	-0.76	3.25	5
Finland	5.85424	5.85182	+0.00046	-0.04	2.51	0
Spain	163.826	165.187	+0.013	0.82	1.63	-6
Netherlands	2.16979	2.19163	+0.00016	1.01	1.44	-7
Germany	1.92573	1.94617	+0.00015	1.06	1.39	-10
Austria	13.5485	13.6967	+0.0011	1.09	1.38	-8
Belgium	39.7191	40.1582	-0.0031	1.11	1.34	-8
Denmark	7.34555	7.42900	+0.00059	1.14	1.31	-8
France	6.45863	6.56701	-0.00203	1.68	0.77	-14
Italy	1906.48	1953.48	+0.15	2.47	0.00	-16
NON ERM MEMBERS						
Greece	295.289	308.969	+0.024	3.96	-1.44	-
UK	0.793103	0.724032	+0.000057	-8.71	12.24	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. 17/9/92: Sterling suspended from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Apr	May	Jun	PUTS Apr	May	Jun
1.590	1.77	2.51	3.03	0.93	1.94	2.51
1.600	1.24	2.09	2.15	1.51	2.44	3.50
1.610	0.84	1.67	1.45	2.11	2.95	-

Previous day's vol., Calls 382 Puts 278. Prev. day's open int., Calls 29,034 Puts 32,827

■ PHILADELPHIA SE D-MARK/$ OPTIONS DM62,500 ($ per DM)

Strike Price	CALLS Apr	May	Jun	PUTS Apr	May	Jun
0.590	0.88	1.28	1.52	0.34	0.61	0.79
0.595	0.59	0.99	1.24	0.54	0.83	0.98
0.600	0.39	0.75	0.99	0.85	1.09	1.24

Previous day's vol., Calls 1,805 Puts 828. Prev. day's open int., Calls 25,800 Puts 39,246

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	94.12	94.12	-	94.15	94.09	121,252	488,018
Sep	93.87	93.87	-	93.89	93.86	121,032	362,421
Dec	93.84	93.65	+0.01	93.66	93.63	71,654	254,178

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	94.80	94.82	+0.01	94.82	94.80	214	2,100
Jun	94.67	94.87	-0.02	94.67	94.67	827	5,372
Sep	-	94.43	-	-	-	271	2,597

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Apr	May	Jun	Sep	PUTS Apr	May	Jun	Sep
9650	0.18	0.19	0.21	0.17	0	0.01	0.09	0.10
9675	0.01	0.02	0.04	0.05	0.08	0.09	0.11	0.23
9700	0	0	0.01	0.01	0.32	0.32	0.33	0.44

Est. vol. total, Calls 11843 Puts 3208. Previous day's open int., Calls 418013 Puts 229185

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Jun	Sep	Dec	PUTS Jun	Sep	Dec
9825	0.06	0.12	0.13	0.16	0.30	0.44
9850	0.01	0.04	0.06	0.39	0.47	0.62

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 1060 Puts 1385

BASE LENDING RATES

	%		%		%
Adam & Company	6.00	Duncan Lawrie	6.00	Royal Bk of Scotland	6.00
Allied Irish Bank (GB)	6.00	Exeter Bank Limited	7.00	●Singer & Friedlander	6.00
●Henry Ansbacher	6.00	Financial & Gen Bank	7.00	●Smith & Williamson Secs	6.00
Bank of Baroda	6.00	●Robert Fleming & Co	6.00	Scottish Widows Bank	6.00
Banco Bilbao Vizcaya	6.00	●Guinness Mahon	6.00	TSB	6.00
Bank of Cyprus	6.00	Habib Bank AG Zurich	6.00	United Bank of Kuwait	6.00
Bank of Ireland	6.00	●Hambros Bank	6.00	Unity Trust Bank Plc	6.00
Bank of India	6.00	Heritable & Gen Inv Bk	6.00	Western Trust	6.00
Bank of Scotland	6.00	●Hill Samuel	6.0	Whiteaway Laidlaw	6.00
Barclays Bank	6.00	C. Hoare & Co	6.00	Yorkshire Bank	6.00
Brit Bk of Mid East	6.00	Hongkong & Shanghai	6.00		
●Brown Shipley & Co Ltd	6.00	Investec Bank (UK) Ltd	6.00		
Citibank NA	6.00	Julian Hodge Bank	6.00		
Clydesdale Bank	6.00	●Leopold Joseph & Sons	6.00		
The Co-operative Bank	6.00	Lloyds Bank	6.00		
Coutts & Co	6.00	Midland Bank	6.00		
Cyprus Popular Bank	6.00	NatWestminster	6.00		
		●Rea Brothers	6.00		

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INTERNATIONAL CAPITAL MARKETS

US prices slide on Greenspan remarks

GOVERNMENT BONDS

By Lisa Bransten in New York and Richard Adams in London

US bond prices continued to slip yesterday as expectations on Wall Street continued to shift toward the view that the Federal Reserve is likely to raise interest rates next Tuesday.

Yesterday's fears were sparked by Mr Alan Greenspan, chairman of the Fed, who repeated his statement that the central bank should act to prevent the economy from overheating. "We're now in a position where we have to move ahead of the curve," he said.

The yield on the 30-year benchmark US Treasury jumped above 7 per cent as Mr Greenspan's comments were released. The market later regained its footing, sending the long bond yield back below that level.

By late morning in New York the long bond was off $\frac{1}{32}$ at 95⅝ to yield 6.990, and the two-year note was off $\frac{1}{32}$ at 99$\frac{1}{32}$, yielding 6.236 per cent. The June 30-year bond future contract fell $\frac{1}{32}$ to 108$\frac{1}{32}$.

Of some consolation to the market was data showing the trade deficit in January rose to $12.7bn. That figure was much larger than the $10.5bn economists expected, and should slow first-quarter economic growth.

Mr Joseph Liro, of CIBC Wood Gundy in New York, said the trade data indicate that "the surge in first-quarter sales is being met largely by rising imports and lower inventories".

Mr Greenspan's statement also influenced European bond prices in late trading.

UK gilts continued their weak performance from the previous session in spite of positive inflation news, which showed a fall in the annual rate to 2.9 per cent. The long gilt future June contract lost ⅔ to settle at 108$\frac{11}{32}$, while 10-year benchmark gilt yields were up by two ticks to 7.62 per cent.

Traders said the market was short on gilts, and were looking for a rebound in prices today as many attempted to square their positions ahead of the weekend.

German bunds endured a mixed day. The short end of the yield curve saw a marked steepening, with one-year yields falling by about eight basis points while long yields were up by between five and six basis points.

The German market was dormant by the time Mr Greenspan spoke. Bunds' yield spread under 10-year Treasuries tightened to 92 basis points, having been 115 three weeks ago. Bund futures in London were volatile, settling down 0.28 to 99.67.

French bonds were not so lucky. On Matif, the June future fell 0.58 to 127.32.

Italian BTP prices moved up, aided by a further fall in Italian inflation this month. Analysts talked of annual inflation dropping to 2.2 per cent, down 0.2 percentage points from the previous month. Ten-year yields lost four basis points to 7.63 per cent, while BTP futures gained 0.24 in London.

The yield on 10-year Irish gilts edged up two basis points to 6.98 per cent, while Swedish bonds staged a recovery, their 10-year yield falling eight ticks to 7.40 per cent.

Banks in EU member states will be able to act as primary dealers in Belgian state debt, the Belgian government announced yesterday, writes Richard Adams. "These measures prepare for the regulation of euro primary dealing, ahead of monetary union," the Belgian Treasury said.

Belgium's current primary dealer regulations say dealers must be based in Belgium or Luxembourg. There were calls to change the rules last January, when Deutsche Bank, a current primary dealer, moved most of its Belgian bond trading activity from Brussels to London.

Dealers said the Treasury had received requests from foreign banks to become primary dealers before monetary union in 1999, provided they were allowed to operate from London.

The primary dealer system requires dealers to act as market-makers in OLOs – a double acronym for "linear obligation" in French and Flemish. They can take part in the Treasury's OLO and Treasury bill auctions.

● The Bank of England has changed the deadline for its gilt auctions, to avoid a clash with its morning money market operations. The auction deadline has been moved back by half an hour, to 10.30am.

Warburg in cheque backed issue

By John Barham in Istanbul

SBC Warburg, the London-based investment bank, has announced what it says is the world's first securitisation deal in which bonds issued by a bank are backed by cheques cashed by its clients.

SBC Warburg raised $115m for Istanbul-based Garanti Bankasi by issuing bonds backed by Eurocheques, personal cheques and travellers cheques cashed at its branches in Turkey. The cheques are cleared outside Turkey and the proceeds held in an offshore trust which repays bondholders principal and interest.

Garanti Bankasi, one of Turkey's biggest privately owned commercial banks, will pay interest of 2 percentage points over Libor – significantly less than Turkish banks must pay for foreign funds – for the five-year life of the deal, which has a one-year grace period

SBC Warburg sold the bonds to institutional investors and banks in Europe and the US. It says the deal is "unique in the world for the variety of instruments and currencies it encompasses".

Asset-backed securities are commonly used by borrowers to repackage receivables such as mortgages and credit cards and sell them to investors.

Moody's rating agency last week sharply downgraded Turkey, cutting its credit rating to B1 from Ba3. Standard & Poor's also cut rates for seven Turkish banks three months after cutting the country's credit rating to B from B+.

EBRD in Philippine peso offer

INTERNATIONAL BONDS

By Edward Luce and Samer Iskandar

The Philippine peso was again the emerging currency of choice yesterday with the third supranational europeso offering in 10 days.

Following the IFC and World Bank last week, the European Bank for Reconstruction and Development issued a 3bn peso one-year bond yesterday, yielding 50 basis points over Philippine treasury bills.

The bonds were distributed to mostly European and US investors. Unlike previous issues, the EBRD's offering is clearable with the US Depositary Trust Corporation as well as the international clearing banks. Syndicate officials said the bonds tightened by about 20 basis points in secondary trading.

"There is strong demand for high-yielding emerging market paper," said ING Barings, the lead manager. "One of the main advantages of buying offshore peso debt is that investors can be sure of avoiding the Philippines' domestic withholding tax."

Analysts said supranationals were keen to issue in pesos to exploit attractive sub-Libor swap rates against the dollar. Other borrowers, including the Asian Development Bank, are thought to be considering europeso issues.

Spain defied the odds by launching FFr4bn of 15-year bonds, the longest sovereign issue in the sector.

One French investor said the launch was "overshadowed by lingering bitterness" from Spain's latest foray into the French franc sector – an unsuccessful launch of 10-year bonds whose yield spread widened dramatically from the initial level of 10 basis points.

Bankers involved in yesterday's transaction said its pricing, with a spread of 15 basis points over the OAT yield curve, showed that Spain had "learnt the lesson since last summer".

Although the spread widened slightly after the launch, CDC Marchés, joint lead manager with Paribas, said it had sold roughly one-third of its allotment and was "confident the rest will be placed with ease in coming days".

CDC also pointed out that the French market's recent fall had driven yields up. "This has allowed us to offer the bonds at a yield of well over 6 per cent," an official said. "This is a strong argument in favour of the deal."

A rival bank said the bonds were "correctly" priced. "Fifteen basis points is correct – it is where Spain's 10-year bonds have stabilised," he said. "But they could have offered a couple of basis points more to compensate for the longer maturity and the fact that the markets are nervous these days."

The European Investment Bank completed the fourth tranche of its multi-currency European bond with a DM1bn 10-year offering. Priced to yield nine basis points over equivalent bunds, the bond was distributed widely across European institutions.

Known as a Euro-fungible tributary bond – because it gives the EIB the right to convert the offering into euros once the single currency is created – yesterday's issue was preceded by offerings in guilders, French francs and Portuguese escudos. "Investors can treat all four tranches as part of the same bond because they have exactly the same maturity and coupon," said an official at ABN Amro, joint lead manager with Deutsche Morgan Grenfell and Société Générale.

Elsewhere, strong demand for yield on US dollars persuaded the Korean Export Import Bank to increase a 10-year offering by $150m to $650m. The puttable bond – which can be redeemed after five years at the investor's request – was priced to yield 51 basis points over five-year Treasuries. The deal was lead managed by Lehman Brothers.

Eastern Electricity, the UK's largest electricity company, launched its first 15-year sterling issue – £200m of bonds yielding 90 basis points over gilts. The offering attracted strong interest, mostly from UK institutions, according to the lead managers BZW and HSBC, which led to a slight tightening of the spread.

BZW said the pricing was deliberately "generous, to take into account the difficult market conditions".

New international bond issues

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book-runner
■ US DOLLARS							
HACCMT 1, 97-1, Cls A(a)‡	870	(a1)	100.00	Mar 2002	2.50	-	CSFB
Kexim(b,s)	650	7.10#	99.852R	Mar 2007	0.30R	+51(WI 5yr)	Lehman Brothers
MML 97-A, Class A(c)★‡	324.728	(c1)	100.00R	Oct 2026	-	-	Merrill Lynch
Daimler-Benz North America	150	6.625	99.95R	Apr 2000	0.225R	+15(5⅞%Feb00)	Commerzbank
■ D-MARKS							
European Inv'ment Bank(r,s)	1bn	5.75	97.90R	Feb 2007	0.325R	+9(6%Jan07)	ABN Amro/DMG/SocGen
■ STERLING							
Eastern Electricity(d,s)	200	8.75	99.322R	Mar 2012	0.625R	+90(9%-2012)	BZW/HSBC Markets
■ FRENCH FRANCS							
Kingdom of Spain(i)	4bn	6.25	99.52R	Apr 2012	0.375R	+15(j)	CDC Marchés/Paribas
Frankfurter Hypo(e,r)	2bn	6.00	99.00R	Apr 2009	0.35R	+16(j)	DMG/Morgan Stanley
■ ITALIAN LIRE							
Centrobanca‡	500bn	(f)	99.89R	Apr 2005	0.15R	-	JP Morgan Securities
European Inv'ment Bank(g)	250bn	7.00	97.325	Feb 2007	1.875	-	BNP/IMI Lux/San Paolo
Commerzbank‡	150bn	(h)#	100.00	Apr 2007	undisci	-	BCI
■ GUILDERS							
Bayerische Hypo(i,l)	100	5.375	100.91R	Dec 2002	0.325R	+10(5%Sep02)	ING Barings
■ DANISH KRONER							
Crédit Local de France(s)	400	6.00	101.50	Dec 2002	1.875	-	ABN Amro/BIL
■ PHILIPPINE PESOS							
EBRD	3bn	9.00	100.00R	Apr 1998	0.15R	-	ING Barings
■ SLOVAK KORUNA							
World Bank	1.5bn	12.50	100.00R	Apr 1998	0.20R	-	RZB-Austria

Final terms, non-callable unless stated. Yield spread (over relevant government bond) at launch supplied by lead manager. ★Unlisted. ‡ Floating-rate note. #Semi-annual coupon. R: fixed re-offer price; fees shown at re-offer level. a) Household Affinity Credit Card Master Trust. Legal maturity: 16/6/04. Average life: 4.97 yrs. a1) 1-mth Libor +10bp. a2) Class B: $47Y4m, 1-mth Libor +28bp, par, 4.97 yrs. b) Puttable on 15/3/02 at par. c) MLCC Mortgage Investors. Average life: 5.38 yrs. Plus 11 days accrued. c1) 1-mth Libor +25bp. d) Spens clause. e) Oeffentliche Pfandbrief. f) 3-mth Libor +12½bp. g) Fungible with L750bn. Plus 72 days accrued. h) Linked to Constant Maturity Treasury Index. i) Over interpolated yield. j) Fungible with Fl 200m. Plus 142 days accrued. l) Long 1st coupon. r) Redenomination clause into Euros. s) Short 1st coupon.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		6.750	11/06	91.7627	-	7.98	7.84	7.38
Austria		5.625	01/07	97.9800	-0.100	5.90	5.68	5.62
Belgium		6.250	03/07	100.9200	-0.500	6.12	5.82	5.57
Canada *		7.000	12/06	102.6000	-0.120	6.63	6.52	6.33
Denmark		8.000	03/06	107.9500	-0.050	6.80	6.38	6.27
France	BTAN	5.500	10/01	103.0467	+0.130	4.78	4.60	4.38
	OAT	6.500	10/06	105.2800	-0.010	5.77	5.53	5.46
Germany Bund		6.000	01/07	100.4400	+0.070	5.94	5.71	5.61
Ireland		8.000	08/06	106.8300	-0.140	6.98	6.68	6.47
Italy		7.750	11/06	100.8000	+0.310	7.63†	7.53	7.05
Japan	No 143	6.300	09/01	121.6008	-	1.31	1.25	1.38
	No 182	3.000	09/05	105.3227	-	2.26	2.24	2.38
Netherlands		5.750	02/07	99.3400	-0.300	5.84	5.48	5.40
Portugal		9.500	02/06	115.5500	-0.150	7.10	6.83	6.63
Spain		7.350	03/07	100.8900	-	7.20	6.93	6.64
Sweden		8.000	08/07	104.2037	+0.580	7.40	6.91	6.75
UK Gilts		8.000	12/00	102-11	-8/32	7.27	6.87	6.77
		7.500	12/06	99-06	-5/32	7.62	7.34	7.16
		9.000	10/08	109-23	-13/32	7.72	7.44	7.24
US Treasury *		6.250	02/07	96-11	-6/32	6.76	6.66	6.40
		6.625	02/27	95-12	-9/32	7.00	6.93	6.70
ECU (French Govt)		7.000	04/06	104.5500	+0.030	6.32	6.05	5.87

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Latest		Treasury Bills and Bond Yields			
		One month	-	Two year	6.27
Prime rate	8¼	Two month	-	Three year	6.45
Broker loan rate	7	Three month	5.35	Five year	6.62
Fed.funds	5$\frac{5}{16}$	Six month	5.54	10-year	6.78
Fed.funds at intervention	-	One year	5.81	30-year	7.02

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	127.50	127.32	-0.58	127.56	127.24	10,050	154,179
Sep	125.88	125.72	-0.58	125.90	125.80	122	2,121
Dec	95.60	95.42	-0.58	95.60	95.60	-	-

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Apr	CALLS May	CALLS Jun	PUTS Apr	PUTS May	PUTS Jun
127	0.65	1.06	1.40	0.33	0.74	1.08
128	0.17	0.59	0.88	0.84	1.26	1.55
129	0.02	0.26	0.50	1.70	1.94	2.17
130	0.01	0.08	0.27	2.68	2.76	2.93
131	-	0.03	0.13	3.68	3.70	3.79

Est. vol. total, Calls 23,652 Puts 38,866. Previous day's open int., Calls 149,906 Puts 154,984.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	99.70	99.67	-0.28	99.95	99.52	219655	242937
Sep	98.91	98.81	-0.29	98.91	98.91	42	862

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Apr	CALLS May	CALLS Jun	CALLS Sep	PUTS Apr	PUTS May	PUTS Jun	PUTS Sep
9950	0.17	0.85	1.11	1.19	0	0.68	0.94	1.86
10000	0	0.59	0.84	0.98	0.33	0.92	1.17	2.17
10050	0	0.36	0.62	0.76	0.83	1.21	1.45	2.48

Est. vol. total, Calls 33156 Puts 40676. Previous day's open int., Calls 231826 Puts 247027

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	124.50	125.11	+0.24	125.54	124.38	67845	102847
Sep	124.65	125.18	+0.24	124.70	124.65	375	2679

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Jun	CALLS Sep	PUTS Jun	PUTS Sep
12500	1.81	2.77	1.70	2.61
12550	1.53	2.50	1.92	2.84
12600	1.27	2.24	2.18	3.08

Est. vol. total, Calls 5582 Puts 6559. Previous day's open int., Calls 88268 Puts 81736

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	110.22	110.63	+0.08	111.00	110.20	112,564	63,045

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	109-20	109-15	-0-12	109-24	109-17	1344	25118
Jun	109-02	108-30	-0-12	109-15	108-26	84737	177161

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Apr	CALLS May	CALLS Jun	CALLS Sep	PUTS Apr	PUTS May	PUTS Jun	PUTS Sep
108	0-60	1-36	2-00	2-35	0	0-40	1-04	2-03
109	0	0-63	1-28	2-00	0-04	1-03	1-32	2-32
110	0	0-36	0-62	1-34	1-04	1-40	2-02	3-02

Est. vol. total, Calls 497 Puts 3518. Previous day's open int., Calls 67953 Puts 36046

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	98.38	98.26	-	98.38	98.16	1,022	2,132
Jun	92.70	92.70	-0.48	92.84	92.60	946	4,734

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Jun	108-15	108-19	+0-04	108-21	108-12	400,910	419,428
Sep	107-31	108-07	+0-06	108-07	107-31	307	27,805
Dec	107-23	107-23	+0-04	107-23	107-23	222	3,218

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Jun	125.96	-	-	125.97	125.81	485	n/a

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FTSE Actuaries Govt. Securities — UK Indices

Price Indices UK Gilts	Thu Mar 20	Day's change %	Wed Mar 19	Accrued interest	xd adj. ytd		Low coupon yield Mar 20	Mar 19	Yr. ago	Medium coupon yield Mar 20	Mar 19	Yr. ago	High coupon yield Mar 20	Mar 19	Yr. ago
1 Up to 5 years (19)	119.33	-0.13	119.48	1.73	3.40	5 yrs	7.37	7.30	7.47	7.42	7.35	7.51	7.45	7.40	7.60
2 5-15 years (21)	148.74	-0.26	149.13	2.93	2.12	15 yrs	7.76	7.73	8.23	7.75	7.71	8.25	7.78	7.59	8.37
3 Over 15 years (7)	168.10	-0.29	168.60	3.90	3.16	20 yrs	7.81	7.79	8.31	7.77	7.74	8.31	7.80	7.59	6.43
4 Irredeemables (5)	193.80	-0.31	194.40	3.25	2.13	Irred.†	7.84	7.81	8.37						
5 All stocks (51)	142.94	-0.22	143.26	2.86	2.87										

Index-linked							Inflation 5% Mar 20	Mar 19	Yr. ago	Inflation 10% Mar 20	Mar 19	Yr. ago
6 Up to 5 years (2)	203.10	-0.09	203.28	0.65	2.16	Up to 5 yrs	3.31	3.28	2.99	2.55	2.63	1.60
7 Over 5 years (10)	195.59	-0.28	196.13	1.27	1.81	Over 5 yrs	3.58	3.56	3.80	3.37	3.37	3.59
8 All stocks (12)	195.32	-0.26	195.83	1.18	1.83							

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT Fixed Interest Indices

	Mar 20	Mar 19	Mar 18	Mar 17	Mar 14	Yr ago	High*	Low*
Govt. Secs. (UK)	93.88	94.07	94.59	94.71	95.24	92.66	96.74	91.59
Fixed Interest	116.05	116.10	118.23	118.69	118.91	110.89	120.18	110.74

Gilt Edged Activity Indices

	Mar 19	Mar 18	Mar 17	Mar 14	Mar 13
Gilt Edged bargains	NA	84.6	84.6	76.5	82.9
5-day average	NA	82.2	82.2	61.5	83.3

© FTSE International Ltd 1997. All rights reserved. * for 1996/97. Government Securities high since compilation: 127.40 (09/01/35), low 49.18 (03/01/75). Fixed Interest high since compilation: 133.87 (21/01/94), low 50.53 (03/01/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or –	52 week High	52 week Low
Shorts" (Lives up to Five Years)						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Other Fixed Interest

	Notes	Yield Int	Yield Red	Price £	+ or –	52 week High	52 week Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on March 20

	Issued	Bid	Offer	Chg	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 5½ 03	1000	97½	97¾	-¼	7.01
ABN Amro Bank 7¼ 05	1000	98⅝	100	-½	7.44
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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RECRUITMENT

Richard Donkin on the complexities facing the reformers of City pay structures

Risks and the right rewards

The loss of £90m at NatWest Markets due to the mispricing of option contracts has highlighted the need for better controls in investment banking. But it has also added to the pressure on the City for a wholesale review and reform of pay structures.

The Bank of England has already complained that the bonus system encourages too much risk. The Bank has indicated that it wants to see longer-term bonus systems to prevent dealers profiting from business that might end up making losses.

Even these changes, however, may not go far enough. Pay consultants might look at the possibility of building a risk element in to traders' pay so just as any small investor in stocks and shares is warned that their value can go down as well as up, investment bank employees could face similar warnings about their rewards.

Such notions of abandoning the principle of limited liability in reward systems have been discussed inside the Bank of England although officials believe it would be difficult if not impossible to achieve.

"Because we are in a buoyant market every bank is keen to keep its star earners and this is a remuneration-driven industry," says Tara Ricks, a director of Joslin Rowe, recruitment consultants in banking and finance. "Until someone sets the trend and is joined by other banks it is not going to happen."

David Morgan, editor of City HR Review, says compensation consultants are struggling to devise pay schemes that allow for negative bonuses. The danger is that any attempt at reform will be undermined by competitors willing to waive any pay or bonus restrictions to attract tha most talented individuals.

When Salomon Brothera, the US investment bank, tried to link the pay of its managing directors more closely with ovarall company performance about five years ago, several walked out and the new structure had to be scrapped.

"It was a classic case of management trying to link corporate interests and getting stuffed by their employees," says Morgan.

The Bank of England has ruled out regulating pay structures since these could not extend across the global market in traded options.

> 'You should be able to reward the individual whose decision to reject a deal might end up saving the bank several million pounds'

Something more fundamental is therefore needed for real reform to take place.

Sophisticated retailers have discovered it is possible to reward staff on other measures apart from sales levels. For example Julian Richer, the head of Richer Sounds, the hi-fi retailer, uses measures of customer satisfaction to calculate bonuses for sales staff.

There is no incentive, therefore, to sell the most expensive products to unwitting customers. Instead, the more that sales staff are able to empathise with customer needs, the more likely they are to receive customer praise which will govern the size of their reward.

Richer believes the trust that this approach generates in tha customer is far more valuable in terms of future custom than the profit from a single sale.

Investment banking is not tha same as retailing, but it should be possible for personnel managers to devise more sophisticated reward systems that place a value on prudence.

"You should be able to reward the individual whose decision to reject a deal might end up saving the bank several million pounds," says Ron Bradley, managing director of Jonathan Wren Search & Selection, the City headhunter. "How do you reward doing nothing or turning something down?"

Traders' losses at Barings, Sumitomo Corporation, the Japanese trading house, and Morgan Grenfell Asset Management have led to a big rise in the importance and profile of back-room functions such as risk assessment, monitoring and control over the past two years.

"These positions have become a lot more powerful and highly paid," says Bradley.

The growth in demand for such people has led Jonathan Wren to recruit Alan Thomas, who formerly looked after internal controls at the Investment Management Regulatory Organisation (IMRO), the self-regulatory body for investment management. The company wants to tap Thomas's experience in identifying the sort of skilis and abilities needed for someone to perform a tough regulatory function within a particular bank.

He points to the need for product risk managers who can unravel a specific derivatives model and calculate the risk attached to it.

"If such an individual conld stop a loss such as that at NatWest he would have made an important contribution," he says.

Psychometric tests

Suppose you are a senior manager with first-class qualifications and years of relevant experience that mark yon out as the prime candidate for a particular job. Should you subject yourself to a psychometric test that is likely to expose any weaknesses that you have long since learned to live with?

Few headhunters would dream of using psychometrics for top appointments, partly because of custom and practice and partly from fear of upsetting applicants. But in further education the use of psychometric testing is becoming routine in selecting senior staff.

Testing is already well established for many other public sector appointments. It may only be a matter of time before it creeps into the higher echelons of private sector recruitment.

I was speaking to a further education college principal last week who confessed he felt insulted when he was asked to undergo a battery of tests for a post aeven years ago. "I had several degrees and an established track record in academic output," he said.

But there was no sympathy for these protestations when I put them to an academic recruiter. Not only did be dismiss such complaints, he said that were he to hear them during the selection process he would regard them as relevant to the individual's suitability for the job.

This is one of the problems of psychometric testing: it tends to put candidates on their guard. Those who become familiar with personality questionnaires may learn to suppress their natural traits in favour of behaviour which is sought for the job.

Many recruiters hold that a far more rounded impression can be produced by combining psychometrics with interviews in which the interviewer can question aspects of behaviour or abilities outlined by the test result.

Psychometric testing is a big business which is getting bigger but as it constantly strives for greater objectivity it seems the subjectivity that is a permanent quality of human nature will continue to defeat its best efforts.

Assistant Director

Mergers & Acquisitions

City **£ Excellent**

Our client is one of Japan'a pre-eminent Mergers & Acquisitions advisers, combining a global presence with a first class reputation for providing high quality strategic solutions to clients on complex issues. The bank's advisory services encompass the entire range of Mergers & Acquisitions activities from the initial preparation of customised Mergers & Acquisitions strategies to final closing, with a strong emphasis on transactions that cross industrial and national boundaries.

An opportunity has now arisen for an experienced Investment Banking Specialist to join the London team. The focus will be on originating Mergers & Acquisitions transactions between the Japanese and European markets, so a proactive approach to business development is essential.

The successful candidate must have an excellent academic record and will already have achieved at least Assistant Director level or the equivalent within the corporate finance arm of a merchant/investment bank, financial institution or management consultancy.

He/she must be able to demonstrate the following:

- Minimum of 10 years extensive UK/European Mergers & Acquisitions experience.
- Familiarity with the Japanese market or a genuine interest in this area.
- Proven track record in the development and servicing of new business.
- The ability to work independently and adopt a flexible approach.
- A fluency in Japanese would be ideal but not a prerequisite.

This is a superb opportunity for a high calibre individual seeking to combine an affinity for the Japanese culture with solid Mergers & Acquisitions experience.

Interested candidates should contact Jayne Philpott or Annabel Haywood on 0171 269 2298 or send a full CV to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax 0171 405 9649.

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COMMODITIES AND AGRICULTURE

Argentina aims to have smelting capacity

By Kenneth Gooding in Buenos Aires

Argentina – where a mining industry is building up rapidly from virtually nothing – now wants its own copper smelter and gold refinery.

According to Mr Daniel Meilan, mining under-secretary at the Ministry of Industry, Commerce and Mining, international mining companies from Canada, China, Japan, Mexico, Scandinavia and the US bave already expressed interest in the copper venture.

Mr Meilan this week completed arrangements for a US grant of $480,000 for a preliminary study of the smelter project. His department intends to use this at workshops in September or October to encourage private sector investment in the scheme which would cost at least $500m.

He insists the government will play no direct part in the smelter. "I am sure the pre-feasibilty study will be favourable," he said. "We intend to have a copper smelter in Argentina."

Argentina's first copper and gold mine, Alumbrera, is scheduled to start up by October at the latest and Mr Meilan says 20 other copper mining projects are being looked at.

After Alumbrera, which is a joint venture between MIM and North, two Australian companies, and Rio Algom of Canada, Mr Meilan expects that the next copper mine to come into production in Argentina will be Pachon in the San Juan province, a $720m project in which Cambior, another Canadian company, has an interest. Alumbrera is scheduled to produce 190,000 tonnes of copper a year – making it the ninth largest copper prodnce in the world – as well as 730,000 troy ounces of gold. Pachon's annual copper output is forecast at 128,000 tonnes.

Mr Meilan also expects the Agua Rica copper and gold project 35km from Alumbrera in the Catamarca province to start construction in 1998. Industry sources suggest Agua Rica, a joint venture between BHP of Australia and Northern Orion of Canada, might be much bigger than Alumbrera. However, Mr Marcos Mozettic, a geologist working on the project, says that, while Agua Rica might be as big as Alumbrera, it will not be much bigger. Mr Meilan expects the Agua Rica joint venture will spend about $1hn to bring it into production.

There is also an early stage copper project, Famatina in La Rioja province, owned hy RTZ-CRA, the Anglo-Australian group.

Some of the most prospective exploration areas in Argentina is along the 5,400km border with Chile and mineral deposits frequently spread from one country to another. Mr Meilan says the long-delayed mining integration treaty between Argentina and Chile, which will permit companies to mine cross-border deposits, will be signed in April. "We are confident this will go ahead," he said.

Two protocols for cross-border projects have already been agreed hy Argentina and Chile, one in respect of Pachon and the other for Barrick Gold's Pascua-Lame gold project which is close to the Canadian group's El Indio mine in Chile.

Brazilian frosts brought profits

By Maggie Urry

Coffee market speculators made profits of between $680m and $910m on the New York commodity exchange alone when Brazilian frosts drove up prices in June and July 1994, a study says.

The study, by Prof Christopher Gilbert and Mr Celso Brunetti, of Queen Mary College, London, says this was the most exciting period of the "fairground roller-coaster" that the coffee market resembled over the three years from summer 1993.

The speculators had accumulated large long positions as the frosts hit the market, mainly to diversify their portfolios from tbe then badly performing stock and bond markets.

This was a "fortunate" move by them as "they could not have anticipated what was a very unusual period of weather".

Coffee was not the only commodity the hedge funds and other investment managers targeted, although it turned out to be the best performing.

However, the report says that higher levels of speculative interest were not necessarily the cause of greater volatility in the coffee market in the three years from summer 1993 onwards. Speculative buying had already started to lift prices from historically low levels by autumn 1993, when coffee producers decided to withhold exports.

The study concluded that it was possible "the coffee market will now be more placid than it has been over the period since 1993".

Speculation, Hedging and Volatility in the Coffee Market 1993-96. Queen Mary and Westfield College Economics Department, Mile End Road, London E1 4NS.

Soyabeans hit nine-year high

MARKETS REPORT

By Laurie Morse in Chicago and Robert Corzina in London

Soyabean futures prices in Chicago yesterday rallied to their highest level in nine years. Soyabeans for delivery just before the autumn harvest in the US sold for $8.69 a bushel – a 35 per cent gain from the first of the year.

The rally was partly in response to a US Department of Agriculture report showing that domestic soyabean crushing continued at a record pace in February, and that export sales of soyabeans in the past week remained high.

Soyabean demand usually slows when prices rise, as buyers switch to other forms of animal feed and turn to cbeaper types of vegetable oils. However, this year, soyabeans are hot.

There is soma evidence that soyabean processors are beginning to give in to punishing crushing margins. Arcber Daniels Midland on Wednesday said it would close one crushing plant for the rest of the crop year, and cut production at other plants.

The USDA has forecast that only 140m bushels of soyabeans will remain in store at the end of the US crop-year, a figure that analysts consider rock-bottom for grain merchandising channels.

The USDA will release its first forecasts for US maize and soyabean plantings on March 31, as well as the state of grain and soyabean stocks.

Oil markets were mainly influenced yesterday hy the closure of some sections of the Mississippi River as a result of several ship and barge accidents. Tha river serves as a gateway for crude oil shipments to big refineries in Louisiana.

The market's first response to the news of a vessel running aground near the mouth of the river was bullish, and Brent Blend for May delivery, the global benchmark, rose quickly to $20.38 a barrel, 10 cents up on Wednesday's close.

Traders later concluded, however, that a closure of the river could prove bearish if it resulted in a drop in refinery runs and a rapid build-up of crude oil stocks. Brent then retreated to around $20.17 a barrel.

It later recovered strongly in late trading on London's International Petroleum Exchange to about $20.46 a barrel.

BP undaunted by Foinaven hurdles

The developers of the much-delayed Foinaven oil field in the deep water west of the Shetland Islands are confident that they can avoid any reoccurrence of the technical problems which have plagued ona of the UK's most ambitious oil projects.

Tha field was originally due to come onstream early last summer. But first production from Petrojarl Foinaven, the floating production and storage ship operated by Golar Nor, tha Norwegian company, is not expected until later this spring.

Mr Andy Dawson, British Petroleum's asset manager of Foinaven, said "an enormous amount" of investigative work had gone into understanding the prohlems with the sub-sea manifold – the steel structure that sits on the seabed to which the flow lines and control umbilicals to individual wells are connected.

Mr Dawson said the main problem was an "over-active" cathodic protection system which triggered chemical reactions in tbe exotic steel alloy used in the manifold. But he was confident that tbe corrective steps taken would prevent the prohlem re-occuring.

Foinaven is a reminder that even the most technically competent oil companies can come unstuck when it comes to the fast-track developments – which will be an increasingly important determinant of global oil supply.

Discovered in 1992, Foinaven received an early development go-ahead from a government keen to ignite international industry interest in a generally unexplored area with many operational uncertainties.

There are signs that some of tbe companies which responded to that call are having second tboughts about the area, in part because of the low rate of discoveries and the small size of the reservoirs found.

Mr Dawson agreed that the success rate was much lower than for the North Sea. But he noted that the west of Shetland field sizes are roughly comparable with tha reserves left in sucb North Sea giants as Brent and Forties. He said it was far too early to assess the importance of the area.

Sea currents, rather than wave sizes, have proved to be one of the main operational problems. The surface current at Foinaven flows at a rate of 2m a second, compared with 1m a second in the North Sea. In addition, warm and cold water currents crisscross the area at different depths and speeds, complicating drilling operations.

An industry-sponsored ecological scientific research programme has been running alongside the first development. Mr Martin Ferguson, head of the Atlantic Frontier Environmental Network, said the studies had revealed some surprises. Relatively rare cold water corals have been identified and a far greater number of endangered species of whales use the area as a migration ronte than had been thought. The latter discovery should not restrict production but will limit the timing of seismic surveys.

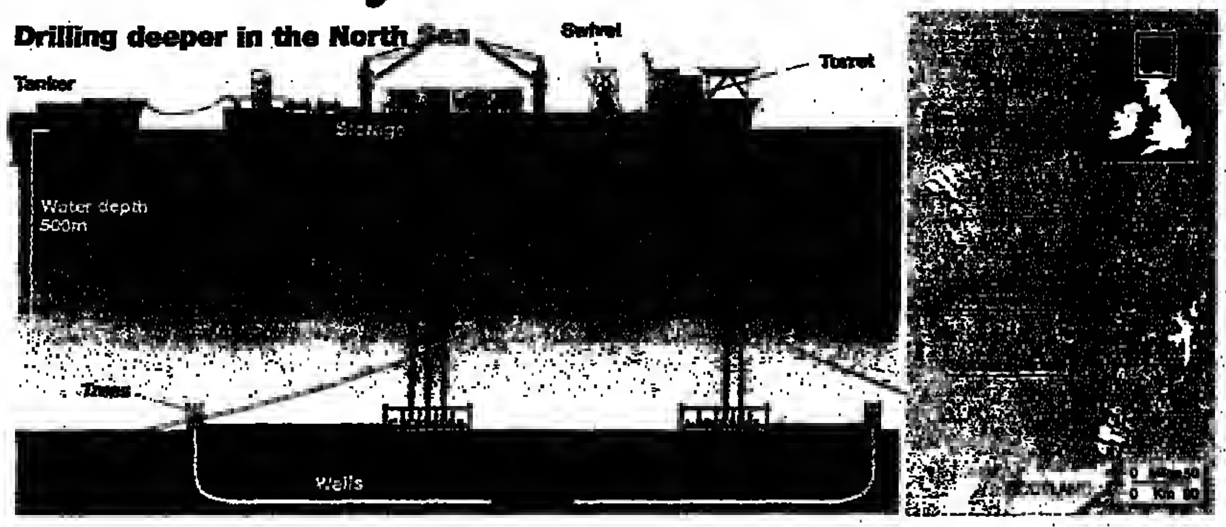
The fact that the area is home to almost the whola population of some types of seahirds has made anti-oil spill measures a priority.

While the industry insists that environmentally sympathetic development can take place, some environmental pressure groups disagree. Mr Simon Reddy, of Greenpeace, says development of the west of Shetlands could encourage the industry to move into even more sensitive areas, such as the Arctic and the Antarctic.

The use of floating production systems also opens up the possibility of developments in the deeper waters. "If that takes us into the deep open ocean, then that is not a road we want to be going down," he said.

The intense interest in the west of Shetlands has put considerable pressure on BP. Any accident will have repercussions well beyond its isolated and stormy patch of ocean.

Robert Corzine



COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1630-31	1663-63.5
Previous	1606.5-07.5	1641-41.5
High/low		1669/1650
AM Official	1625-26	1658-59
Kerb close		1658-59
Open int.	267,844	
Total daily turnover	71,725	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1520-25	1548-50
Previous	1505-15	1535-38
High/low		1553/1550
AM Official	1520-30	1550-53
Kerb close		1550-55
Open int.	6,064	
Total daily turnover	1,095	

■ LEAD ($ per tonne)

Close	693.5-94.5	692-93
Previous	691-2	686.5-7
High/low		696/693
AM Official	695-96	692-93
Kerb close		695-96
Open int.	37,709	
Total daily turnover	7,922	

■ NICKEL ($ per tonne)

Close	7895-905	8010-15
Previous	7820-30	7935-40
High/low	7880	8050/7980
AM Official	7875-80	7980-90
Kerb close		8030-50
Open int.	48,654	
Total daily turnover	17,284	

■ TIN ($ per tonne)

Close	5995-6005	6015-20
Previous	6010-30	6000-20
High/low		6070/6000
AM Official	5990-6000	6010-15
Kerb close		6020-25
Open int.	15,973	
Total daily turnover	3,974	

■ ZINC, special high grade ($ per tonne)

Close	1279-80	1301-02
Previous	1267-68	1290-91
High/low		1307/1296
AM Official	1280-81	1302-02.5
Kerb close		1295-96
Open int.	86,089	
Total daily turnover	24,824	

■ COPPER, grade A ($ per tonne)

Close	2386-88	2349-50
Previous	2345-47	2312-14
High/low		2355/2322
AM Official	2363-64	2331.5-32.5
Kerb close		2350-51
Open int.	137,929	
Total daily turnover	53,571	

■ LME AM Official £/$ rate: 1.5967

LME Closing £/$ rate: 1.5943

Spot: 1.5942 3 mths: 1.5916 6 mths: 1.5886 9 mths: 1.5860

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	115.50	+2.60	115.50	112.70	1,359	4,449
Apr	111.80	+1.60	111.00	110.30	506	4,055
May	110.50	+1.70	110.80	108.30	14,606	23,961
Jun	109.15	+1.75	108.00	108.00	16	1,047
Jul	107.80	+1.60	107.70	108.50	16	8,036
Aug	106.50	+1.40	-	-	8	668
Total					18,022	58,141

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	351.30-351.60		
Opening	352.00-352.40		
Morning fix	352.70	221.281	506.125
Afternoon fix	352.00	220.482	507.408
Day's High	353.50-353.90		
Day's Low	350.60-351.00		
Previous close	348.80-349.40		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.33	6 months	4.24
2 months	4.27	12 months	4.22
3 months	4.25		

Silver Fix	p/troy oz.	US cts equiv.
Spot	328.25	524.00
3 months	333.05	530.65
6 months	337.85	537.25
1 year	347.85	550.65

Gold Coins	$ price	£ equiv.
Krugerrand	352-354	221-222
Maple Leaf	-	-
New Sovereign	82-85	51-53

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	351.7	-0.7	-	-	5	3
Apr	352.2	-0.7	354.4	351.2	150	49,413
Jun	354.6	-0.7	356.9	353.7	1,244	38,619
Aug	357.0	-0.8	359.3	356.8	804	10,687
Oct	359.6	-0.7	361.0	358.9	171	5,838
Dec	362.3	-0.7	364.5	361.8	143	21,531
Total					49,918	167,898

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	381.7	-0.9	386.0	381.0	3,112	13,667
Jul	383.6	-1.0	387.8	382.7	478	4,254
Oct	385.9	-1.0	388.5	386.0	46	1,683
Jan	388.1	-1.0	382.0	382.0	12	1,137
Total					3,696	20,698

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	150.50	+2.60	-	-	8	16
Jun	152.50	+2.60	155.50	152.00	1,245	8,641
Sep	153.75	+2.60	-	-	85	840
Dec	154.75	+2.60	-	-	-	189
Total					1,338	9,686

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	519.1	-1.9	520.0	517.0	69	325
May	522.0	-2.0	527.5	518.5	15,496	57,496
Jul	527.2	-1.9	532.5	524.0	3,431	15,810
Sep	532.2	-1.8	530.0	530.0	178	3,271
Dec	539.7	-1.7	543.0	537.5	52	5,145
Jan	542.6	-1.8	553.0	553.0	2	13
Total					19,226	90,906

ENERGY

■ CRUDE OIL NYMEX (1,000 barrels, $/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Apr	21.96	-0.08	22.15	21.65	31,495	26,123
May	21.76	-0.04	21.92	21.46	75,767	90,919
Jun	21.64	+0.01	21.74	21.35	15,917	57,536
Jul	21.51	+0.05	21.55	21.25	7,239	26,708
Aug	21.33	+0.03	21.35	21.10	2,621	18,617
Sep	21.17	-0.01	21.17	21.05	1,224	13,083
Total					140,298	406,280

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
May	20.33	+0.01	20.42	20.08	15,531	68,225
Jun	20.21	-0.02	20.27	19.95	5,283	28,540
Jul	20.11	+0.01	20.11	19.91	954	13,197
Aug	19.89	-0.10	19.95	19.84	285	6,807
Sep	19.80	-0.10	19.80	19.77	44	6,369
Oct	19.75	-0.06	19.75	10.75	10	4,837
Total					23,473	148,800

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Apr	56.15	-0.14	56.40	55.40	12,454	26,644
May	56.15	-0.21	56.45	55.50	6,095	25,317
Jun	56.30	-0.21	56.65	55.80	2,888	13,168
Jul	56.65	+0.04	57.00	56.30	1,844	12,871
Aug	57.30	-0.06	57.50	57.00	1,299	8,054
Sep	57.70	-0.31	58.05	57.70	172	5,221
Total					25,784	123,362

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	173.25	-2.00	174.25	172.00	6,051	27,679
May	174.50	-1.75	175.00	173.50	2,229	7,749
Jun	175.25	-2.00	176.00	174.50	814	10,593
Jul	176.50	-1.25	176.75	175.75	382	4,390
Aug	178.00	-1.00	178.25	177.25	117	1,931
Sep	179.50	-1.50	178.75	170.00	91	1,455
Total					12,475	64,916

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Vol	Open int
Apr	1.885	-0.011	1.915	1.870	13,768	22,271
May	1.945	-0.001	1.970	1.925	5,358	29,588
Jun	1.975	-0.001	2.000	1.960	2,214	13,889
Jul	1.985	-0.002	2.005	1.975	983	11,642
Aug	1.995	+0.001	2.015	1.980	490	9,307
Sep	2.000	+0.010	2.010	1.980	1,729	9,549
Total					25,731	177,958

■ UNLEADED GASOLINE

NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Apr	68.05	+0.09	68.40	67.20	14,680	24,186
May	67.65	+0.01	68.00	66.85	13,236	35,984
Jun	66.50	-0.10	66.85	65.90	4,543	17,805
Jul	65.10	-0.20	65.50	64.80	1,731	8,402
Aug	63.70	-0.10	63.80	63.00	1,520	5,142
Sep	61.70	-0.50	62.20	61.45	413	2,601
Total					36,716	97,468

GRAINS AND OIL SEEDS

■ WHEAT LIFFE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	99.40	-0.30	100.20	100.20	1	22
May	101.00	-0.35	102.00	101.00	282	3,161
Jul	103.25	-0.50	104.50	103.25	143	1,221
Sep	94.75	-0.25	95.00	95.00	-	35
Nov	96.75	-0.25	97.85	97.00	127	2,152
Jan	98.75	-0.25	98.70	98.75	60	521
Total					613	7,300

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
May	397.50	+6.50	403.00	390.25	3,172	27,009
Jul	389.50	+6.25	396.00	382.00	7,238	40,521
Sep	391.75	+6.50	395.00	385.50	715	4,985
Dec	399.50	+7.00	403.50	393.00	722	4,977
Mar	400.00	+12.00	-	-	3	83
Jul	359.00	+2.00	-	-	-	180
Total					12,170	77,843

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
May	304.75	+1.50	309.00	302.50	27,324	157,508
Jul	304.50	+2.00	309.75	302.00	11,355	109,552
Sep	298.00	+3.25	301.50	296.50	1,424	16,404
Dec	294.75	+1.75	298.00	292.50	8,594	73,865
Mar	298.75	+1.50	301.25	298.50	332	7,742
May	302.00	+2.00	302.00	301.00	20	309
Total					50,802	375,221

■ BARLEY LIFFE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	93.50	-0.50	-	94.00	-	11
May	94.00	-	94.00	94.00	4	145
Sep	92.75	-	-	-	-	28
Nov	94.75	-	94.75	94.75	15	479
Jan	96.75	-	-	-	-	38
Total					15	781

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
May	852.00	+13.00	867.00	837.50	28,625	79,500
Jul	854.00	+13.00	868.00	840.00	10,668	58,824
Aug	839.50	+10.25	853.00	837.50	1,128	8,342
Sep	788.25	+4.00	780.00	768.50	410	5,241
Nov	719.00	+2.25	726.00	715.00	4,245	32,939
Jan	723.00	+2.25	730.00	723.00	80	1,789
Total					46,822	187,768

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Vol	Open int
May	24.77	+0.08	25.01	24.59	8,866	46,125
Jul	25.10	+0.10	25.40	24.98	2,022	29,316
Aug	25.32	+0.13	25.53	25.10	887	5,296
Sep	25.47	+0.10	25.62	25.25	203	3,314
Oct	25.55	+0.15	25.72	25.35	93	3,172
Dec	25.80	+0.15	26.05	25.65	578	11,408
Total					13,169	100,638

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Vol	Open int
May	280.3	+6.1	284.2	273.8	12,462	47,033
Jul	276.2	+5.4	279.8	273.5	4,831	28,477
Aug	267.5	+5.5	272.0	265.0	735	8,797
Sep	250.2	+2.9	254.2	250.0	325	5,910
Oct	227.2	+1.4	230.0	226.5	132	4,268
Dec	222.6	+1.0	227.0	222.5	1,441	9,579
Total					28,546	105,181

■ POTATOES LIFFE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	52.0	-1.5	53.5	52.0	20	644
May	57.0	-0.5	57.0	57.0	18	339
Jan	67.0	-0.5	-	-	-	-
Nov	65.0	+3.0	65.0	65.0	7	2
Mar	98.0	-	-	-	-	-
Apr	106.0	-1.0	106.0	105.0	19	691
Total					62	1,676

■ FREIGHT (BIFFEX) LIFFE ($10/index point)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	1520	+15	1520	1520	10	438
Apr	1635	+42	1656	1606	277	1,131
May	1600	+30	1600	1595	68	597
Jul	1335	+25	1335	1330	12	705
Oct	1440	+15	1440	1429	22	297
Jan	1450	+10	1450	1450	-	47
Total					389	3,215

	Close	Prev
BFI	1563	1493

FUTURES DATA

All futures data supplied by CMS.

Wool

At the closing Australian sales ahead of the Easter recess, prices eased slightly. Recent strength in the Australian dollar was one factor, with buyers reluctant to pay the higher prices dictated by exchange rates. Offerings in the week were also relatively heavy at 112,000 bales. The eastern market indicator closed down 7 Australian cents at 619 cents a kg, and the western market indicator was 6 cents down at 589 cents. Finer merino wool, recently becoming dearer more rapidly than broader categories, also lost ground, and at a South African sale finer merinos in fact eased more than other categories. New Zealand closed with a gain of 7 New Zealand cents a kg on the week, reaching 434 cents. This was from a low point last week of 427 cents a kg, a seasonal low point roughly aligned with that in January.

SOFTS

■ COCOA LIFFE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	1025	+18	1018	1006	11	480
May	1031	+16	1033	1008	2,033	31,785
Jul	1037	+15	1041	1018	1,236	14,909
Sep	1043	+15	1047	1024	289	12,113
Dec	1045	+13	1045	1028	970	25,397
Mar	1063	+13	1063	1047	414	22,852
Total					5,656	133,647

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Vol	Open int
May	1473	+42	1476	1439	5,812	31,352
Jul	1499	+41	1502	1465	1,373	21,246
Sep	1522	+41	1527	1490	368	11,367
Dec	1550	+42	1550	1520	455	8,526
Mar	1579	+42	1579	1543	70	16,448
May	1598	+42	1576	1560	166	6,739
Total					8,244	96,669

■ COCOA (ICCO) (SDR's/tonne)

Mar 10	Price	Prev. day
Daily	1120.90	1136.14

■ COFFEE LIFFE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	1655	-12	1680	1657	168	1,448
May	1655	-2	1683	1645	2,736	25,471
Jul	1650	-	1670	1638	979	10,855
Sep	1645	+3	1665	1631	442	6,066
Nov	1620	+3	1640	1615	371	2,693
Jan	1600	+3	1600	1585	34	751
Total					4,886	47,366

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	169.10	+1.05	174.50	169.00	6,377	18,995
Jul	157.20	+2.30	161.00	152.75	1,482	7,930
Sep	147.15	+3.50	149.65	142.50	730	5,367
Dec	134.00	+1.30	137.50	132.00	784	3,488
Mar	126.00	+0.50	130.50	126.00	349	1,066
May	121.50	+0.45	124.00	120.00	10	200
Total					9,717	37,161

■ COFFEE (ICO) (US cents/pound)

Mar 10		Prev. day
Comp. daily	129.79	130.99
15 day average	138.56	138.47

■ WHITE SUGAR LIFFE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	306.7	+1.2	308.4	304.5	554	14,437
Aug	305.3	+0.7	307.0	303.4	267	4,817
Oct	301.0	+0.8	303.2	300.0	13	3,332
Dec	299.7	+0.8	300.0	300.0	1	941
Mar	301.6	+1.4	302.2	302.2	21	510
May	302.0	+2.8	303.7	302.9	-	153
Total					847	24,100

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	10.90	+0.15	11.01	10.70	15,184	83,601
Jul	10.64	+0.11	10.74	10.51	2,719	35,537
Oct	10.56	+0.07	10.63	10.47	655	25,469
Mar	10.55	+0.05	10.65	10.49	503	13,217
May	10.55	+0.06	10.55	10.50	10	2,614
Jul	10.56	+0.06	19.66	10.52	34	1,345
Total					19,273	142,145

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	74.25	+0.33	74.57	73.85	9,261	30,541
Jul	75.65	+0.38	75.89	75.35	3,386	15,283
Oct	76.60	+0.65	76.65	76.20	67	1,534
Dec	76.65	+0.33	76.85	76.45	2,429	21,123
Mar	77.45	+0.35	77.45	77.20	35	1,409
May	77.90	+0.40	77.50	77.50	10	515
Total					15,205	71,942

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	84.60	-0.15	85.45	84.45	2,531	14,942
Jul	86.75	-0.05	87.25	86.50	732	5,371
Sep	88.30	+0.10	88.40	88.20	122	3,734
Nov	90.50	+0.30	90.50	90.50	326	1,400
Jan	91.85	+0.45	92.00	91.50	102	661
Mar	93.66	+0.60	93.50	93.00	27	352
Total					3,840	26,721

VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open interest totals are for all traded months.

INDICES

■ Reuters (Base: 18/9/31 = 100)

Mar 20	Mar 19	month ago	year ago
1972.4	1976.8	1988.1	2133.8

■ CRB Futures (Base: 1967 = 100)

Mar 19	Mar 19	month ago	year ago
244.75	244.34		

■ GSCI Spot (Base: 1970 = 100)

Mar 19	Mar 18	month ago	year ago
195.81	194.95	195.17	203.89

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	67.475	-1.225	68.900	67.400	8,651	36,414
Jun	63.475	-1.225	65.000	63.425	2,608	26,906
Aug	63.125	-0.5	63.950	62.950	1,972	21,268
Oct	66.825	-0.45	67.560	66.650	537	15,163
Dec	68.100	-0.375	69.625	68.850	382	7,423
Feb	70.300	-0.45	70.725	70.100	55	2,821
Total					14,323	110,624

■ LEAN HOGS CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	70.275	+2	70.275	69.700	4,433	10,590
Jun	78.150	+2	78.150	77.800	4,284	12,854
Jul	76.800	+2	76.800	75.950	662	2,874
Aug	72.700	+2	72.700	71.750	365	2,118
Oct	67.450	+2	67.450	66.500	150	1,469
Dec	65.500	+1.95	65.550	64.500	253	1,061
Total					10,156	31,571

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	76.400	+3	76.400	76.400	95	71
May	76.300	+3	76.300	76.300	2,531	4,736
Jul	76.075	+3	76.075	75.800	677	1,602
Aug	73.825	+3	73.825	73.825	62	561
Feb	68.850	+0.65	71.200	70.050	14	48
Total					3,343	7,019

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

■ ALUMINIUM (99.7%) LME	Apr	Jul	Apr	Jul
1600	37	91	14	40
1650	13	64	39	63
1700	3	44	79	91
■ COPPER (Grade A) LME	**Apr**	**Jul**	**Apr**	**Jul**
2250	128	118	5	79
2350	52	73	28	131
2450	13	42	88	198
■ COFFEE LIFFE	**May**	**Jul**	**May**	**Jul**
1650	91	148	76	148
1700	59	128	104	176
1750	43	111	138	211
■ COCOA LIFFE	**May**	**Jul**	**May**	**Jul**
975	63	87	7	25
1000	45	71	14	34
1025	32	58	26	46
■ BRENT CRUDE IPE	**May**	**Jun**	**May**	**Jun**
2000	-	-	-	-
2050	39	68	-	-
2100	-	50	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel)

		+or-
Dubai	$18.63-8.98w	+0.070
Brent Blend (dated)	$19.56-9.64	-0.105
Brent Blend (May)	$20.40-0.42	-0.010
W.T.I.	$21.90-1.92w	-0.020

■ OIL PRODUCTS NWEprompt delivery CIF (tonne)

Premium Gasoline	$219-221	-3
Gas Oil	$175-176	-2
Heavy Fuel Oil	$84-85	-1
Naphtha	$198-200	-2
Jet fuel	$194-196	-2
Diesel	$184-186	-3

■ NATURAL GAS (Pence/therm)

Bacton (Apr)	9.60-9.70	
IPE (Apr)	9.820	-0.090

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■ OTHER

Gold (per troy oz)♣	$351.55	+2.40
Silver (per troy oz)♣	519.00c	-2.00
Platinum (per troy oz.)	$379.75	+3.50
Palladium (per troy oz.)	$151.25	+5.50
Copper	118.0c	
Lead (US prod.)	45.00c	
Tin (Kuala Lumpur)	14.48r	-0.07
Tin (New York)	281.50	
Cattle (live weight)	98.82p	-0.30*
Sheep (live weight)	148.71p	-4.04*
Pigs (live weight)†	80.71p	-4.42*
Lon. day sugar (raw)	$289.50	-2.90
Lon. day sugar (wte)	$308.60	-0.70
Barley (Eng. feed)	Unq	
Maize (US No3 Yellow)	$109.00	
Wheat (US Dark North)	Unq	
Rubber (Apr)♥	80.25p	-1.00
Rubber (May)♥	80.25p	-1.00
Rubber (KL RSS No1)	303.5x	-0.5
Coconut Oil (Phil)§	735.0y	-6.0
Palm Oil (Malay.)§	560.0	
Copra (Phil)§	$490.0y	
Soyabeans (US)	234.0	
Cotton Outlook'A' index	80.00	-0.10
Wooltops (64s Super)	429p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. w May y Apr/May♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. * Change on week. †Based on 1,451 head of pigs sold.

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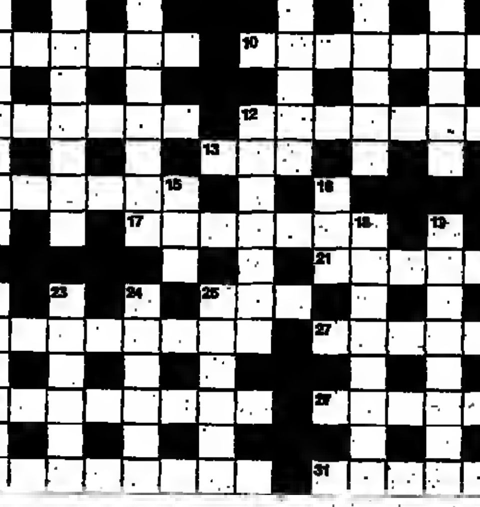


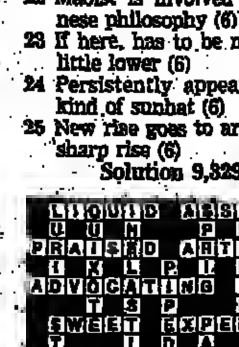
ACROSS

1 Initially a king, possibly raise to emperor (6)
4 Avoidance of supposedly unhealthy habits (8)
9 Joined forces (6)
10 Girl's brief time in Air Traffic Control (8)
11 Attacked and stabbed ringleader inside (6)
12 Rose, a lovely girl in red (8)
13 No opposition (3)
14 I am in pursuit in a carriage (6)
17 Covered a trial in the final stages (7)
21 Score confused with a gross (6)
25 Where the farmer goes to sow? (3)
26 Virginal salutation (3,5)
27 Constable holds Mr Presley, endlessly rotating this region?(6)
28 Home supporter shot in foot (8)
29 Light a cigar? (6)
30 He's unlikely to be found missing (8)
31 The char's complete service? (3-3)

DOWN

1 Carrier takes wine after sound sleep (6)
2 Badly handle patients' outing (3-5)
3 Remove without hesitation and make use of (8)
5 Adobe's the material for these homes (6)
6 The nun wanders around the diocese without being observed (6)
7 One result of eavesdropping in winter (6)
8 Manage to assemble a party (4-2)
12 Great at ordering meeting between banks, perhaps (7)
15 Female penal centre (3)
16 Not much time to get dry (3)
18 Building where one may have a flutter (8)
19 Former clergyman in religious surroundings (8)
20 Quiet charm producing fondness (8)
22 Maoist is involved in Chinese philosophy (6)
23 If here, has to be moved a little lower (6)
24 Persistently appears in a kind of sunhat (6)
25 New rise goes to artist – sharp rise (6)

Solution 9,329



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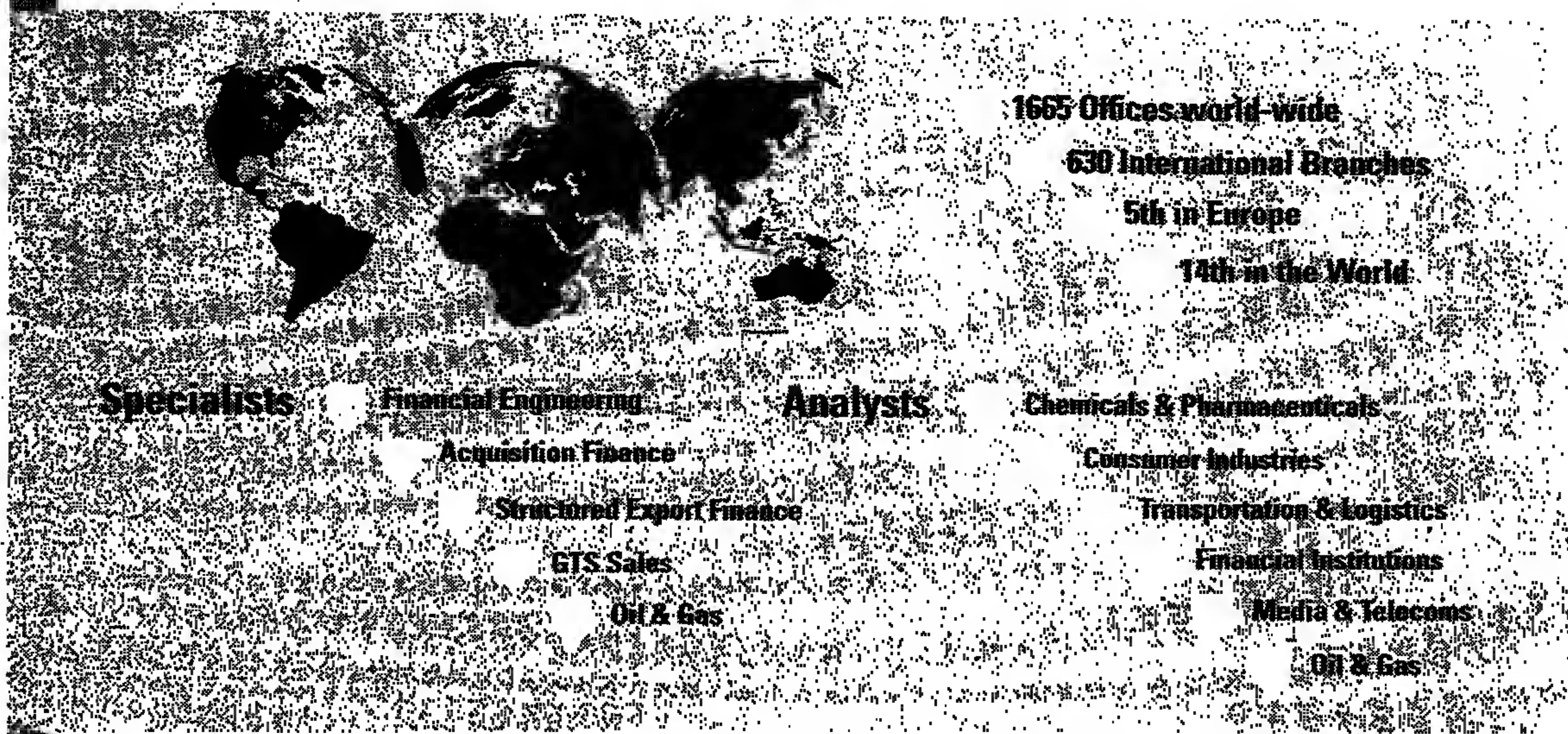

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- Highly competitive package including potential for equity participation.

QUALIFICATIONS
- Tenacious, success-driven City performer with thorough understanding of financial products. Minimum two years' experience. Background in corporate finance, sales, relationship management, management consultancy or the professions.
- First-class communication skills with proven ability to develop business. Stature and confidence to liaise with senior international clients.
- Energetic self-starter. Creative thinker. Languages useful, especially German, Spanish, Italian or French.

Please send full cv, stating salary, ref FS70308, to NBS, 10 Arthur Street, London EC4R 9AY

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Corporate Finance Executives

City **Close Brothers** £ Excellent

Close Brothers Corporate Finance Limited is an integral part of the consistently growing Close Brothers Group plc. Following its merger with Hill Samuel's Corporate Finance team in June 1996, the department is now one of the largest independent corporate finance businesses in the City and boasts over eighty five quoted clients. Close Brothers Corporate Finance's aim is now to expand its client base and consolidate its position as the leading independent financial adviser to mid-sized growth companies in the U.K.

Due to an increasing deal flow within the corporate finance department, there is a requirement for further executives to join this dynamic team.

This is an excellent opportunity for a commercially astute Chartered Accountant or Solicitor keen to move into corporate finance or for a candidate who has already obtained corporate finance experience and wishes to progress his/her career.

They will work on a variety of transactions in the public and private company arena and will require sound commercial judgement, negotiation and interpersonal skills combined with good technical expertise.

All candidates must also be able to demonstrate:
- Excellent academic background, 2:1 degree or better from a leading university.
- Strong analytical, technical and communication skills.
- Initiative, determination and creativity.
- The ability to liaise with clients at senior level.

If you are a commercially minded and ambitious young executive wishing to progress your career you should contact Ian L. Tucker on 0171 491 4650 or write to him, enclosing a full curriculum vitae at SCI International Group Limited, 21 Arlington Street, London SW1A 1RN. Fax number: 0171 491 4630.

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CAREER OPPORTUNITY IN KUWAIT

Alghanim Industries, a leading and dynamic Kuwaiti conglomerate, with significant global interests, is seeking a talented professional to fill the position of:

CORPORATE CONTROLLER

Reporting to the Executive Vice President and Chief Financial Officer, you will be responsible for directing and coordinating the various activities of the financial control function of the Group's 20+ businesses in trading, manufacturing, contracting and services areas. You will be responsible for the development and implementation at relevant policies and procedures to ensure effective internal controls and proper financial accounting that would meet statutory and internal requirements. You will also provide effective management information to Corporate Management, ensure improvement in working capital management and cost efficiency, and participate in business strategies. A proven successful track record in these areas is a must. In addition to being an effective communicator, you will have the ability to work in a multi-product, multi-business environment, adapt to a multi-national Middle East environment and handle multiple assignments.

You must be capable of promotion to the Chief Financial Officer position. Therefore, experience in treasury management, investment analysis and balance sheet management is required.

You will be a C.P.A. or C.A. or Cost and Management Accountant, preferably complimented with MBA (Finance), highly conversant in computer systems, applications and utilization, 40 to 45 years old with at least 15 years post qualification relevant experience in financial management.

If you match the requirements for this challenging position, please fax your detailed CV, in strict confidence to:

Director of Human Resources.
Fax No. (965) 4842614
E-mail suhail@alghanim.com

Alghanim Industries

EMERGING MARKETS SEARCH & SELECTION

Economic and financial progress in Russia continues apace, creating perhaps the most exciting emerging market in the world today. As the international community has become increasingly aware of the opportunities within this unique marketplace, so the demand for a wide range of investment banking products has grown at a phenomenal rate. Our client, a leading Investment Bank in Russia, is looking to expand in a number of areas to accommodate this growing demand for its product. There is an immediate need for two individuals as follows:

Russian Equity Sales - Moscow/London

- An individual is required to sell Russian equity into a German speaking client base. There will be full support from the equity research team plus both secondary and primary market product to work with. There is a secondary requirement for this individual to cover a French client base.
- The Ideal candidate will have 3-5 years' experience of equity sales to a German speaking client base and will be a fluent German speaker. Experience in Emerging Markets would be preferred but is not essential. Candidates who speak French in addition to German will also have the opportunity to cover a French client base.

Latin American Marketing - Moscow/New York

- A senior individual is required to assume responsibility for marketing the entire product range of the institution to Latin American clients, and developing this client base accordingly. This range will include a number of funds currently under management within the institution as well as all traditional investment banking products.
- The ideal candidate will be a senior marketer with excellent contacts throughout the Latin American region and a proven record of business generation in this area. They must possess a full understanding of all products as outlined above and will ideally have had at least 5 years' hands-on experience in this market.

This is a unique opportunity for market professionals to join a dynamic firm at the forefront of Investment Banking in Russia and to participate directly in the growth of one of the world's most exciting markets.

Please send your c.v. in complete confidence to: David Williams at Emerging Markets Search & Selection Ltd., 12 Masons Avenue, London EC2V 5BT, UK. Telephone: 0171-600 4744 Fax: 0171-600 4717 or Email: david@emss.co.uk

EQUITY CAPITAL MARKETS OPPORTUNITY

Competitive salary & banking benefits · London

A prestigious global investment bank is looking for an experienced professional at manager level to join its Equity Capital Markets group, based in London.

Responsibilities will include:
- preparation of equity offerings, both IPOs and secondaries
- valuation analysis, research and preparation of prospectuses
- liaison with sales team on marketing strategy
- working with investment banking colleagues to determine pricing
- developing and maintaining client relationships.

Candidates must hold an MBA from an international business school and demonstrate proven academic excellence including sophisticated financial analysis. A minimum of 2 years' experience in international equity capital markets, gained at a blue-chip investment bank is essential. Preference will be given to candidates with a track record of deals in the technology and healthcare sectors who have developed personal relationships with corporates in these areas.

Candidates must have a high energy level, be able to cope in a highly-pressurised environment and have proven interpersonal skills.

To apply, please send your CV, quoting Ref: 663, to: Confidential Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Applications will only be forwarded to this client, but please clearly indicate any organisation to which your details should not be sent.

ASSOCIATES IN ADVERTISING

Fund Manager UK Equities

London Base £ Competitive

Our client is a leading international investment bank and its asset management arm has developed a global reputation managing funds in excess of £55 billion. Due to growing portfolio demands they now seek to strengthen the team with the appointment of an experienced, highly skilled UK equity fund management professional.

The successful candidate will be responsible for managing a range of portfolios, providing strategic views and making superior stock selection decisions. The individual will attend and contribute to stock meetings, and present to Boards of Trustees. Due to the important nature of this role the individual must be able to demonstrate a good track record of investment success.

Candidates will be graduates with three to five years' experience of managing UK equity funds and possess the relevant professional qualification, preferably IIMR. A thorough understanding of UK stocks combined with superior presentation and communication skills is essential.

This is an excellent opportunity for a confident, assertive and enthusiastic individual who can excel working within a supportive team environment.

For an initial confidential discussion please contact Elizabeth Arthur on 0171 491 4650, or alternatively write to her enclosing an updated CV to SCI International Group Limited, 21 Arlington Street, London SW1A 1RN (fax number 0171 491 4630).

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APPOINTMENTS WANTED

POSITION WANTED

Extensive background(15 + yrs) in real estate finance, appraisals, underwriting and analysis. Excellent communication, managerial and organizational skills. Native English speaker also speaks Hungarian, Spanish, French and Hebrew. NYC-based but willing to travel and/or relocate for right opportunity. Excellent references. Please fax replies to Mr. Sidrasky. (212) 319-0704 (USA)

Singaporean (UK Permanent Resident)

38, plenty of initiatives, full of energy/ enthusiasm, sales/marketing & trading/shipping background seeks employment in UK. An asset to any company - especially those doing business in the Far East.

Tel/write for CV:-
Paul Huan, 79 Mallard Drive, Horwich, Bolton, BL6 5RN, UK
Tel: (01204) 699365

International Manager - Energy Projects

Excellent Package **Edinburgh**

An exciting, ground-floor, opportunity for a dynamic project developer to lead the appraisal, negotiation and closure of complex, international investment projects.

THE COMPANY

- Leading energy organisation. Keen to enhance worldwide market share.
- Newly-created, strategically important division focusing on all types of international power-project opportunities and equity investments.
- Change-oriented. Determined to achieve maximum returns from significant resources.

THE POSITION

- Lead tenders and negotiations for investing in overseas power projects. Appraise and structure investments. Develop financing options.
- Undertake wide-ranging due diligence. Present reports and justify recommendations to Board.
- Liaise externally with government ministers, client-management teams and financiers. Appoint and manage specialist advisors.

QUALIFICATIONS

- Graduate. Background in international project development, gained in an energy company, bank or similar organisation.
- Experienced in preparing investment proposals and leading negotiations for major investments. Proven ability in co-ordinating technical specialists, lawyers and project financiers.
- Outstanding presenter. Excellent project and time- management skills. Incisive, credible, self-motivated. Prepared to travel extensively.

Please send full cv, stating salary, ref B161101/R, to Ian Mukerjee, NBS, Berwick House, 35 Livery Street, Birmingham B3 2PB

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Corporate Finance Director

TELEWEST COMMUNICATIONS

Surrey
c.£70,000 + Bonus & Benefits

Superb new opportunity in outstandingly successful group for bright, ambitious Corporate Finance & Strategy Director.

THE COMPANY

- One of UK's largest cable operators. £400m turnover. 5000 employees.
- Growing rapidly, access to 4 million homes and 300,000 businesses.
- Provides full range of communications, information and entertainment services.

THE POSITION

- New appointment reporting to Group Finance Director. Corporate development role for cable systems purchases, swaps, new franchise bids, acquisitions.
- Responsible for long range plan; key interfaces with business units, Financial Controller and Chief Executive. Analyse and model strategic options.
- Investigate joint ventures, technological alternatives and macro economic factors, key business drivers, acquisition costs and churn
- Manage small team of analysts across broad spectrum of internal and external business opportunities.

QUALIFICATIONS

- Strong corporate finance and strategic planning skills essential.
- Experienced analyst and manager. Background in cable industry useful.
- Excellent strategic vision, able to communicate at all levels, ambitious and energetic

Please send full cv, stating salary, ref LG70314, to NBS, 54 Jermyn Street, London SW1Y 6LX

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CLAIM YOUR PLACE IN THE SUN

Imagine living in a friendly, cosmopolitan, highly westernised country where the climate is superb. Where the standards of education and healthcare are excellent. And where the range of restaurants, leisure amenities and sports facilities leaves you spoilt for choice. Now imagine taking on a responsible role with a prestigous and successful organisation in this superb environment.

The good news is that our client Al-Futtaim, can make this vision a reality. Based in the city of Dubai, they are one of the Gulf's largest and most successful groups, representing some of the world's most prestigious blue-chip companies including Toyota, Ikea, National Panasonic, Sanyo and Toshiba. Due to continuing success and further expansion, they can now offer the following range of opportunities:

Financial Controllers

[illegible]

Two posts are available. The first will be involved in the sales and distribution of Honda, Chrysler and Volvo vehicles, whilst the second will focus on the retail, wholesale and international distribution of leading brands of watches and jewellery. Reporting to the Managing Director as a key member of the management team, you will play a vital part in the future success of either of these highly profitable businesses.

To meet this challenge, you must be a chartered accountant with around ten years' financial experience gained in a commercial environment who has had international exposure and experience of multi-currency transactions. Excellent communication and interpersonal skills are equally important, along with IT skills and the ability to make a real contribution to the development of the business. Ref: 54376/1.

Audit Manager - Information Systems

[illegible]

Reporting to the Group Director - Internal Audit, you will initiate IS audit policy, practice and plans to meet the needs of the business to international standards. You will evaluate controls and security measures in the IT systems and at the IT division. Additionally, you will make a significant contribution to the planned replacement of existing IT systems.

You should be a professionally qualified accountant or possess a degree in IT. With ten years' experience of information systems audit, you should also have had exposure to IBM AS/400 hardware, networks, personal computers and the latest technology. The CISA qualification is desirable. Ref: 54376/2.

Group Accountant

[illegible] US$40,000 [illegible]

Working with a mixed nationality team, you will be responsible for the preparation and consolidation of accounts for the Group. In doing so, you will be involved in the accounting of foreign exchange transactions as well as helping to shape the development of financial IT systems.

To qualify, you should be a chartered accountant with at least five years' experience of finance and management accounting in a commercial environment. The ability to liaise effectively at audit and senior management level is also essential. Ref: 54376/3.

To claim *your* place in the sun, please send your CV - with details of your current salary and how your skills and experience meet the requirements - to: Beverley Langley, The Scott Edgar Group Limited, Paragon House, 75 Farringdon Road, London EC1M 3JY. Please quote the appropriate reference on the envelope and covering letter. **Applicants outside the UK should fax their CV with covering letter to Gail Malkin in Dubai on 9714 212933.**

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Locations across the UK **up to £75,000 Package**

As a global leader in the provision of business and IT consultancy services, this organisation has a reputation for a pragmatic, flexible and hands-on approach. Their culture is one which rewards results, encourages individualism and recognises that work should be fun as well as professionally and personally fulfilling. There is currently a requirement for consultants to join their highly successful financial services consultancy team.

THE POSITION

- Contribute to and/or manage a range of projects designed to ensure clients achieve business advantage.
- Develop and manage relationships with clients and identify further consultancy opportunities.
- Deliver results on a wide range of assignments incorporating change-management, business consultancy, process re-engineering, systems development, package evaluation, etc.
- Add to the consultancy's reputation by demonstrating an in-depth understanding of current and emerging issues in the financial services sector.

QUALIFICATIONS

- Probably aged late 20's to early 40's, of graduate calibre, with the ability to think both laterally and 'on your feet'.
- Excellent communication skills and an ability to adapt your style in order to maximise your influence at all levels.
- Broadly based operations, systems or consultancy experience in the financial services sector, preferably, but not necessarily, with a bias towards investment banking.
- The ambition and self confidence to take full advantage of first class opportunities for personal and career development.

Interested candidates should write in the strictest confidence, enclosing full career details, current salary and, where possible, a daytime telephone number to the advising consultants, Jerry Wright or John Anderton, at Questor International Limited, 3 Burlington Gardens, London W1X 1LE. Tel: 0171 292 8300. Fax: 0171 287 5457, quoting ref 2183. E-Mail John@questorint.com

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CORPORATE RELATIONSHIP MANAGER INTERNATIONAL BANKING

Frankfurt

One of the largest banks in the US is increasing its marketing efforts in Germany, Switzerland and Austria, from an existing Frankfurt base. With the strength of the US balance sheet, impressive business development successes have already been achieved.

The bank is now seeking an additional relationship manager who is familiar with the region and its business community and is capable of cross selling a wide range of international banking services to the current and future customer base. You will be joining a small team in a highly visible role and will have considerable exposure to the bank's senior international management in London and the US.

This new position is likely to be filled by a graduate calibre banker with superior credit, lending and marketing skills. *In addition you should demonstrate a broad knowledge of capital markets, derivatives,* treasury, leasing, cash management and other products and services. You will be attracted by the opportunity to develop your longer-term career either in the expanding German operation or elsewhere in the bank's international network.

The remuneration package will include a competitive local salary, benefits and relocation expenses where appropriate.

Please contact Norma Given

Fax 0171-626 9400

Cleary Court, 21-23 St. Swithin's Lane
London EC4N 8AD
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Telephone 0171-626 1161

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COMMISSIONING EDITOR

TREASURY MANAGEMENT INTERNATIONAL

The leading magazine for International Treasury Professionals

requires a self motivated and enthusiastic Commissioning Editor to take responsibility for sourcing of contributors and ensuring the high standard of editorial content within this prestigious publication.

The successful applicant will have a strong financial background including a good knowledge of the international treasury and capital markets, sound commercial awareness and an excellent command of the English language. Must be able to work under pressure and to deadlines.

Solid editorial experience and an understanding of the key personalities within this arena are essential.

Salary negotiable dependent upon age and experience.

Please apply in writing with full CV and current salary details to:

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Hemmington Scott Publishing Limited
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The FT IT Works Recruitment section is also available all week on www.FT.com

Financial Managers and Business Analysts

Excellent salary and benefits — **Based Bracknell**

In just 12 years Dell has established itself as a major player in the global PC market. Inspired thought and sheer hard work have made us into a Fortune 500 organisation with a turnover last year of $7.8 billion and an annual growth rate of over 50%. We're looking forward to an even bigger future, and can offer you the opportunity to influence our growth and to share in it. We have a number of vacancies in the following areas:

European Planning & Analysis

We are looking for a highly motivated individual, with a strong financial and business analytical background, to work as one of our Planning Managers within our European Planning & Analysis department.

You will operate at a senior level on the development, presentation and implementation of Europe-wide planning and financial analysis, in a role that will have a direct impact on our company and our people. In a fast-paced and rapidly changing environment, you will produce forecasts that will both guide and drive the activity of our manufacturing facility and our European sales teams.

As well as 5 years' commercial experience, we are looking for a highly developed analytical mind with the tenacity and confidence to challenge views together with a natural flair for creative problem solving and business management. Also essential are outstanding communication and interpersonal skills, a hands-on knowledge of forecasting and trend analysis, an adaptable approach to change and excellent business sense. Experience of working in an international organisation would be advantageous, as would additional language skills. Ref: 03/1010/FT.

European Product Line Business

Reporting to the Finance Director, you will become a key member of a team of business people charged with managing one of Dell's European-wide product lines.

This will involve providing accurate and timely analysis of all aspects of the business to help drive achievement of the aggressive financial and quality goals.

You will be someone who can work at both a detailed level and provide value added business judgement on the numbers. Essential to the role will be the ability to build close working relationships with Dell teams from different functions and in different geographical locations.

Whether a fully qualified accountant or an MBA graduate, you should have at least 5 years' commercial experience. A second European language would be an advantage. Ref: 03/1011/FT.

European Pricing

We are looking for exceptional individuals to take ownership of European Pricing for a specific product line. These challenging roles will require you to develop a blend of marketing and finance skills in order to bring creativity as well as sound business judgement to your decision making.

Working at a senior level with the Finance and Marketing Directors, you will be required to undertake all activities in the pricing process from conception to agreement with the business units.

We are looking for at least five years' commercial experience and you will probably be CIMA or ACCA qualified. You will have a proven track record in distilling complex issues into key elements and communicating clearly and concisely. The ability to persuade and motivate senior management to implement your proposals will be crucial. Fluency in a second language would be beneficial. Ref: 03/1013/FT.

UK Financial Analysis

Working within a sales and marketing environment, you will be providing business advice and analysis to the senior management teams. Responsibilities will include planning, managing financial metrics, pricing and large bid analysis.

Confidence and tenacity are as important as 1 - 2 years' analyst experience. Your ability to win respect in an often pressured professional environment is key. You will be ACA, CIMA or ACCA qualified. Ref: 03/1012/FT.

If you think you could make your mark in one of the world's biggest commercial success stories, please send your CV, with daytime and evening telephone numbers, to LJA Recruitment Management, 12 Calbridge Mews, Porchester Road, London W2 6EU. Tel: 0171 243 1888. If you are interested in one or more positions, please indicate on your application the appropriate reference numbers.

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Compliance Controller (IMRO)

Competitive salary + car + financial sector benefits
London

NPI, a major pensions and retirement products provider with £10 billion of assets under management, is undertaking a significant strengthening of its investment operations with the aim of creating an investment house capability. As part of this strategy, we are now seeking, at our London office, a Compliance Controller (IMRO).

Reporting to the Group Compliance Manager, the Compliance Controller (IMRO) will ensure adequate compliance arrangements and standards are maintained and, where necessary, developed to match the needs of the business.

The role will involve: devising, planning and organising, as well as conducting, appropriate independent monitoring of the investment business; and, working closely with, and giving advice and guidance to, investment and support staff at all levels.

The successful candidate is likely to have: a minimum of three years' experience of working in a dedicated IMRO compliance role (either with IMRO or within the Compliance Department of an investment management company); and a thorough knowledge of the regulatory requirements associated with unit trusts, PEPs, and discretionary fund management. An investment management background would be an added advantage.

In return, you can look forward to an excellent salary and benefits that include car, private health, life cover, subsidised mortgage, non-contributory pension scheme and relocation assistance, where appropriate.

To apply, please write with full CV to Tricia Catford, Human Resources, NPI, NPI House, 55 Calverley Road, Tunbridge Wells, Kent TN1 2UE. Fax 01892 705622.

Closing date for applications: 4 April 1997.

NPI

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US EQUITY SALES

US Investment Bank/Institutional Broker Dealer

seeks experienced US equity sales people who are currently selling US equities to European accounts. Candidate will have proven track record and current client book. Compensation will be extremely competitive for the successful candidate. Last year aforementioned investment bank was number 11 in terms of capital raising in the US and oumber 1 in terms of the return generated by that capital.

Please contact in confidence:

Mrs Vibha Miller, Director of Recruiting at:
email: vmiller@fbr.com or fax 001 703 312 9501

Include CV, sales record, references and curreot firm. Positioo will be based in London.

Coopers & Lybrand

Corporate Finance
South East

LLB, MBA, ACA, VC
It is all corporate finance to us

Our South East corporate finance advisory teams seek commercial individuals from a diverse range of backgrounds but with one thing in common - the ability to make deals happen. Whether you are a Big 6 corporate financier seeking a bonus scheme that reflects the personal contribution you make, or a move from mixed advisory/due diligence to a dedicated advisory team, a venture capitalist seeking to broaden your role, an MBA, FD or lawyer with the ability to generate and manage deals or a corporate financier seeking access to our deal flow then our consultants would like to speak to you.

The growth of the advisory teams in the South East within our core areas of plc advisory, MBO/MBI and disposal work fuels the need for additional staff at Assistant Director equivalent, Manager or Executive levels for teams in Reading, Uxbridge, Cambridge (particular need for Biotech skills and contacts), Croydon and Milton Keynes. Successful candidates will be in their mid 20s to early 30s, have outstanding communication skills and personal drive, and will be highly rated amongst their peers.

In return for your commitment, we will give you a rewarding career with significant opportunity for advancement, as much autonomy as you can handle and a vital part to play in the development of one of our teams. Most important to you, however, is likely to be the opportunity to sweep away routine administration tasks for a job dedicated to the deal.

For further details or a confidential discussion prior to your name or CV being supplied to our client, contact Jo Vaughan our advising consultant at Milton Hall, Milton, Cambridge CB4 6AB. Tel: 01223 441661. Fax: 01223 440851.

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Asian Banks Research

London — **£ Excellent**

Our client, an integrated investment bank with unrivalled coverage of the banking and insurance sectors is seeking to recruit an additional Equity Analyst for their Asian markets team. Based in London the Asian Banks team currently covers banks in Hong Kong, Singapore, Malaysia, Thailand, Philippines, Indonesia, South Korea and Australia. The team plans to extend and deepen coverage of these markets throughout 1997 and beyond. The successful candidate will be fully involved in this process.

The Role:
- Research and analysis of regional banks throughout South East Asia.
- Production of high quality written research to tight deadlines.
- Regular travel in the region to visit target organisations.
- Significant involvement in the marketing of the firms' Asian research product to institutional clients and to the sales force.
- Deputising for the head of the Asian banks team during his absence abroad on business.

The Candidate:
- Graduate with a higher professional qualification. Possibly ACA, MBA or CFA.
- Research and/or analysis experience focused upon the Banking Industry gained within one of the following areas; Credit Analysis, Equity research within Stockbroking, Investment banking or Fund management, or a Strategy/Business analyst role within a management consultancy.
- Highly numerate with developed valuation/spreadsheet skills.
- Regional language capability.

If you would like to know more about this challenging position, please telephone Colin Campbell-Dunlop on +44 171 269 2304 or write to him at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax +44 171 405 9649. Please quote reference 336006.

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Strategic Analyst

ACA/MBA
Corporate Financier/Strategy Consultant
London — **£Excellent**

Our client, a FTSE 100 plc, is a leading provider of retail, corporate and investment banking services. An opportunity has arisen in the financial strategy function of the Group's Head Office, a small team providing corporate advisory and financial management support to the Group Chief Financial Officer and other members of the executive management team.

The role will involve the analysis of a broad range of strategic issues, identifying the appropriate actions and working in support of their implementation. This might involve tha issuance, redemption and allocation of capital, the determination of dividend policy, the development of optimal balance sheet management strategies or assessing corporate structuring or project evaluation situations.

We are interested in candidates, ideally aged 28-35, possessing a broad knowledge of financial management theory acquired through both academic and practical experience and a demonstrable ability to apply it to a wide range of practical business and corporate finance issues. You are likely to have a good understanding of the cost of capital, discounted cash flow analysis, stock market and bond valuation techniques and capital management practices.

Applicants are likely to be ACA's, MBA's, corporate financiers or strategy consultants employed by leading firms within their respective fields. All candidates should exhibit strong interpersonal skills, academic and technical expertise and the ability to complement a small team working at the very highest levels.

The successful individual will be rewarded with excellent career prospects and will be remunerated according to their experience and contribution to the business.

Applicants should forward a CV in strict confidence to Guy Townsend or Simon Hegarty at Walker Hamill Executive Selection, quoting reference GT 3003.

WALKER HAMILL

Advent International
GLOBAL PRIVATE EQUITY

European Venture Capital — London — ACA/MBA/Strategy Consultant

Advent International is one of the world's leading private equity investors with $2.5 billion under management and more than 70 investment professionals representing 18 nationalities. The firm, with European headquarters in London, has 12 offices in North America, Europe, Asia and Latin America. Advent investors include public and private pension funds, endowments, industrial corporations, insurance companies, charitable organisations and other international investment institutions. Recent business highlights include:

- top level performance based on recent realisations
- first closing on new fund at $625m (target $1bn)
- lead investor on 27 out of 35 deals since 1990
- a world leader in the flotation of portfolio companies – 24 alone in 1996

We are seeking talented individuals to join a team dedicated to the generation and proactive development of sector focused deal activity. This will encompass research into selected markets such as chemicals, media, telecommunications and health care services throughout the UK and Europe. Having identified and evaluated potential investments, you will be involved in carrying transactions through to their successful conclusion.

Candidates, ideally aged 24-29, will be highly motivated ACA's/MBA's/corporate financiers/strategy consultants employed by leading firms in their respective fields. Advent International presents the opportunity to apply your financial, strategic, commercial and entrepreneurial skills within a self-starting, highly successful environment.

All applicants must possess excellent academic credentials, strong interpersonal skills and the confidence to market Advent International and the ideas they generate at the most senior levels. Candidates must exhibit exceptional potential and European language skills will prove advantageous.

Applicants should forward a CV in strict confidence to Guy Townsend or Brian Hamill at Walker Hamill Executive Selection, quoting reference GT 2650. All direct responses will be forwarded to Walker Hamill.

Advent International plc is regulated by IMRO.

WALKER HAMILL

APPOINTMENTS WANTED

GERMAN QUALIFIED ACCOUNTANT INTERNATIONAL EXPERIENCE
Fluent in English, good French. Seeks short/longterm contract Europe or elsewhere.
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FINANCE DIRECTOR

INTERNATIONAL MEDIA - RELATED BUSINESS

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- The company is a leader in its field, part of a well-known global group, and has been providing state-of-the-art services to the media sector for over 40 years.
- Headquartered in Central London, the company has locations around the world, operating in a fast paced, rapidly changing and competitive market. It has developed ambitious plans to meet the challenges and opportunities of the future.
- A high calibre Finance Director is sought to join the small central management team who will make a full contribution, both by supporting key decision making and providing excellence in financial reporting and control.
- Candidates will be Graduate Chartered Accountants with at least five years' post qualifying experience, currently working either in a 'blue chip' international role, or in a leading professional firm. A high degree of systems literacy will be essential, as will stroog technical skills.
- Media sector experience is less important than personal qualities, which will include well developed leadership abilities, a sharp intellect, flexibility of approach and exceptional levels of energy and enthusiasm.
- This demanding position calls for an appetite to influence change, with a readiness to travel and work long hours when necessary. Language skills would be advantageous, but are not essential.

Please apply in writing quoting reference 1354
with full career and salary details to:
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Whitehead Selection Limited
11 Hill Street, London W1X 8BB
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http://www.gbnet.co.uk/whitehead

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INTERNATIONAL AUDIT DIRECTOR

TO £70K OTE + CAR + STOCK OPTIONS **Nr SOUTHAMPTON**

THE COMPANY

Warner Lambert is a recognised world leader in the manufacture and marketing of high quality consumer and pharmaceutical products. It is a customer oriented business that invests boldly in research and development resulting in an enviable portfolio of household name products such as Halls, Listerine and Wilkinson Sword in addition to 'OTC' and prescribed pharmaceuticals.

A Fortune 200 company, Warner Lambert operates worldwide employing in excess of 38,000 staff, generating revenues in excess of £7bn in 1996.

THE POSITION

Following the appointment of the previous Audit Director into a Financial Director role within one of the company's operating divisions, an opportunity has arisen for a suitably qualified audit professional. The post carries the responsibility for managing and directing a highly skilled team of qualified auditors in the execution of operational, IS, and financial audits across Warner Lambert's subsidiaries and affiliates in Europe, Asia, Australasia, Africa and the Middle East.

THE CANDIDATE

An outstanding Chartered Accountant with the vision and people management skills to co-ordinate a cost effective audit team capable of assessing operations and negotiating changes in control systems and business processes. In order to gain the respect of colleagues, personal qualities will need to include the ability to be persuasive and diplomatic, yet sensitive to cultural differences within the global arena.

The successful candidate will possess a current understanding of global audit standards and methodologies. They should have at least ten year's post-qualifying experience with a major Public Practice firm or within a forward thinking audit team in commerce/industry. The individual must be able to commit to a high level of international travel (40%) for periods up to 3 weeks at a time. A degree of fluency in another European language would be a distinct advantage.

*If you feel you can meet the challenges of this exceptional opportunity then please forward your CV to our consultant Peter Clarke, Senior Partner at **CMA Accountancy Recruitment, Norfolk House, 57/61 London Road, Southampton, Hants SO15 2AB (Tel: 01703 638046; Fax: 01703 335937)**. Please note that any CVs forwarded directly to Warner Lambert will be passed to our Sole Agency Consultants, CMA Accountancy Recruitment.*

WARNER LAMBERT

Finance Controller

Based South West Poland **Full Expatriate Package**

Our client is a world leader in the design, development and manufacture of components for the power, transport and industrial equipment industries. Turnover is in excess of $11 billion. From its strong European base, where over half its manufacturing plants are located, the company is well established internationally with a substantial presence in Europe, America, Africa and Asia Pacific including China. As part of their on-going global commitment to provide customers with a comprehensive range of products and services across all its business sectors, the company has recently acquired a production facility in South West Poland.

Reporting locally to the Managing Director and to the Group Finance Director, the successful candidate will play a crucial role in the subsidiary's future development. Initial tasks will be the implementation and on-going development of accounting controls and procedures. Other responsibilities will include the day to day management of the local accounts team and the implementation of a company computer based information system. Candidates should be fully qualified with an internationally recognised accounting qualification and several year's post-qualificatioo experience gained in a blue chip environment. Previous experience of working to International Accounting Standards and Polish reporting principles is desirable.

This is a hands-on role and the individual will have excellent people management skills. As the successful candidate will be a member of the senior management team, good knowledge of Polish and English is a pre-requisite. Candidates with additional language skills in French are particularly encouraged to apply.

This is an outstanding opportunity for a high calibre, dynamic individual to make a real contribution to the success of the subsidiary. This will be rewarded by a high level of responsibility and the prospect of excellent career progression within the organisation.

Interested candidates should forward a comprehensive CV with salary details in confidence, quoting reference 307465 to Catherine Zasadzka, at Michael Page Eastern Europe, Page House, 39-41 Parker Street, London WC2B 5LH, or by fax on +44 (0) 171 404 6370, telephone +44 (0) 171 269 2384.

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A Pro-active Professional from the Manufacturing Sector

Thames Valley **c£40k + Substantial Bonus + Car**

A major plc is looking for a Finance Director for a wholly owned subsidiary which is a UK leader in its niche sector. The business is profitable, expanding at home and overseas and has benefited from substantial investment in state-of-the-art manufacturing equipment.

Reporting to the Managing Director and leading your own Finance and IT team, you will play a pivotal strategic role at the heart of the business – managing all finance functions to ensure the company is able to meet its profit plans, business objectives and statutory obligations. The provision of comprehensive management information to senior colleagues will be critical to further growth and development.

A graduate, preferably with a DMS or MBA, you will be professionally qualified – ideally ACMA – and will have at least five years senior level experience within a manufacturing environment.

Demonstrable ability to play a wider management role in a modem, quality focused organisation is important – success in creating and supporting continuous improvement initiatives will be of particular interest together with an awareness of activity based management analysis. You will also be IT literate, an outstanding communicator and an excellent team leader.

Please write enclosing comprehensive CV and quoting reference 3308 to Barry Eccles, Barnes Kavelle Limited, Human Resource Consultancy, Cavendish House, Queen Street, Mirfield, West Yorkshire WF14 8AH.

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South East

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The growth of the advisory teams in the South East within our core areas of plc advisory, MBO/MBI and disposal work fuels the need for additional staff at Assistant Director equivalent, Manager or Executive levels for teams in Reading, Uxbridge, Cambridge (particular need for Biotech skills and contacts), Croydon and Milton Keynes. Successful candidates will be in their mid 20s to early 30s, have outstanding communication skills and personal drive, and will be highly rated amongst their peers.

In return for your commitment, we will give you a rewarding career with significant opportunity for advancement, as much autonomy as you can handle and a vital part to play in the development of one of our teams. Most important to you, however, is likely to be the opportunity to sweep away routine administration tasks for a job dedicated to the deal.

For further details or a confidential discussion prior to your name or CV being supplied to our client, contact Jo Vaughan our advising consultant at Phoenix Search & Selection, Milton Hall, Milton, Cambridge CB4 6AB. Tel: 01223 441661. Fax: 01223 440851.

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Group Financial Controller

to **£60k** package plus car plus bens. ***East*Midlands**

"Geest stands head and shoulders above the pack" - Williams de Broë (Feb 1997)

A fully quoted PLC with a turnover in excess of £400m, Geest has undergone an impressive and radical change since disposing of its banana business in January 1996. The company holds a leading position in the supply of own brand fresh chilled convenience foods and fresh produce to the major multiple food retailers.

Innovation, quality, customer focus, added value and partnership are all words synonymous with Geest PLC. With significant financial resources the Company is carrying out an ambitious and innovative programme of development both organically and by acquisition in the UK and Continental Europe.

The Role

* Following an internal career move to Commercial Director, a new Group Financial Controller is required. The challenge will be to continue to develop a Group Finance centre of excellence which is respected for its contribution across a dynamic and expanding business
* Motivating staff within a results orientated environment you will:
  - Take responsibility for the complete accounting function of the group
  - Provide value added analysis of the Group's performance
  - Review and report on unit business plans and budgets
  - Ensure Group trading profit and cash are managed effectively

GEEST

Qualifications

* The successful candidate will be a big six trained ACA possibly seeking a first move out of the profession or having already made the transition into a Group or Divisional role within a major PLC.
* Whatever your current position you will demonstrate key achievements in your career to date. Technically you will be outstanding whilst also possessing a critical eye for business issues and attention to detail.
* Self confident, influential and highly disciplined, you will build productive working relationships with Divisional Directors and will not be afraid of challenging the status quo. Above all else you will have a sense of humour.

Interested candidates should send their full CV, quoting a daytime telephone number and reference FT/160 to the retained consultant Austin Carter FCCA at:

Macildowie associates

Rodney House, Castle Gate, Nottingham, NG1 7AW. Tel: 0115 947 0200 Fax: 0115 985 9074

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Finance Director

New role at the heart of a respected and profitable £300 million turnover group which has strong presence in its chosen markets. Challenging remit to act as a mentor and facilitator in a business with an open, progressive culture and to help transform the possible into the deliverable across all aspects of financial management, funding and corporate development.

THE ROLE

- Reporting to the Chief Executive, operating as part of a close-knit collegiate board and providing guidance on a broad range of funding issues to allow business development opportunities to be exploited fully.
- Providing a key interface with bankers and other third party intermediaries to optimise funding arrangements.
- Driving business performance improvement by providing enhanced analysis of management information, functional leadership to the accounts team and support to the operating companies.

THE QUALIFICATIONS

- Graduate accountant, aged 35+ with first-class treasury, financial management and corporate development experience, ideally property related, and board level exposure in a customer-focused, multi-site business.
- Adept agent of change and a natural facilitator, effective at counselling and working with others to evaluate business opportunities and achieve shared performance objectives.
- Creative and down-to-earth with superior communication and negotiating skills and a sense of humour.

Leeds 0113 230 7774
London 0171 298 3333
Manchester 0161 499 1700

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Spencer Stuart

Please reply with full details to:
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16 Connaught Place,
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Oxford GlycoSciences

c. £100,000 + benefits & equity *Oxford*

Group Finance Director

Outstanding opportunity to join an established, dynamic biotechnology company. The company is a world leader in Functional Genomics linking genes to disease processes and applies this technology to drug discovery and development. Key tasks will be to prepare for listing on the London Stock Exchange this year and support the Chief Executive in developing and implementing company strategy and policy in a period of dynamic growth.

THE ROLE

- Reporting to the Chief Executive, contributing to strategic review of existing operations and the identification and development of future partnerships and acquisitions.
- Developing a proactive group finance function, including responsibility for IT, to facilitate and drive rapid growth.
- Building strong contacts with the City, external advisers and investors both pre- and post-flotation.

THE QUALIFICATIONS

- Ambitious graduate accountant with strong financial management, corporate finance, tax and treasury skills from an industry, consulting or City advisory background. Active interest in healthcare sector highly desirable. IPO exposure mandatory.
- Hard-working, articulate and self-confident with outstanding presentation and man-management skills.
- Robust, tenacious, enthusiastic and realistic team player.

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London 0171 298 3333
Manchester 0161 499 1700

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Spencer Stuart

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Adlington Court, Greencourts Business Park,
Styal Road, Manchester M22 5LG

Head of Securitisation

Global US Investment Bank – Senior Appointment

Hong Kong

Creative, value-added thinking combined with an outstanding level of service and execution is a quality shared by our client's staff of more than 15,000 professionals globally. These qualities are critical in the individual they are looking to appoint as Head of Securitisation in Hong Kong. As an integral team member of the Asset Finance business unit, this person will be responsible for developing the securitisation advisory and arrangement business in Asia.

Strong transaction execution experience is essential to this position, which entails undertaking and supervising product development, origination and execution of transactions. There will be a focus on developing the markets in Thailand, Indonesia and the Philippines, with secondary focus given to China and South Korea.

Degree qualified, the individual will have excellent technical skills and proven experience in securitisation combined with a strong capacity to develop solid client relationships. Strong communication and presentation skills are key to securing relationships with colleagues globally as well as with clients. Working knowledge of credit enhancements is important as most securitisations aim for a high rating. An excellent remuneration package commensurate with experience will be provided to the successful candidate.

Interested candidates should telephone Tim Smith or Mark Pettman in London on + 44 171 269 2313, Steve Rosich in Sydney on + 612 235 1488 or Karen Wong in Hong Kong on + 852 2530 2000.

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Butterfield Securities is a leading smaller company corporate stockbroker and financial adviser. Our success means we need to enlarge both our Corporate Finance and Institutional Sales teams.

CORPORATE FINANCE MANAGER/ASSISTANT DIRECTOR

To work in our Corporate Finance department advising clients on flotations, secondary equity issues, acquisitions, disposals and restructurings.

You will probably be a qualified Chartered Accountant with at least three years' corporate finance experience gained in the corporate finance department of a big accountancy firm or at a corporate stockbroker.

EQUITY ANALYST

To work in our Institutional Sales department, principally as a smaller company analyst.

You will probably have a minimum of three years' experience as an analyst, ideally working in the smaller company market.

Please write with a full curriculum vitae including current salary details to the Corporate Finance Department, Butterfield Securities, 24 Chiswell Street, London, EC1Y 4TY.

Butterfield Securities, which is a wholly owned subsidiary of the Bank of NT Butterfield & Son Limited, Bermuda is a member of the London Stock Exchange and is regulated by the Securities and Futures Authority.

Business Development Manager

IFSC DUBLIN

Our client, a major European bank with an established operation in the Dublin International Financial Services Centre plans to expand its activities to include the provision of finance to European Public Sector Borrowers.

The primary role of the person appointed will be to build, over a number of years, a substantial market position and portfolio of high quality European public sector clients. Business will be developed directly and through the bank's international network, and will involve selective participation in both primary and secondary market transactions.

Candidates will be professional bankers with a proven track record in business development gained, ideally, in a major international bank. They will be fluent in French or Spanish. Excellent interpersonal, influencing and communication skills, together with the ability to initiate and develop client relationships, will be required.

This is an outstanding career opportunity and offers the possibility to join at a time of significant business expansion. The remuneration package will reflect the importance of attracting a high calibre candidate.

Please write - in strict confidence - enclosing a curriculum vitae and quoting reference number 97553 to:

Brian G Ward,
MERC Partners,
12 Richview Office Park,
Clonskeagh, Dublin 14.
Fax: 00353-1-283 0550
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Our client, a major force in global investment and corporate banking, seeks to recruit a number of exceptional individuals to drive through strategic operational and technological initiatives.

Capitalising on its already strong position, this organisation has gone through a significant restructuring programme, aligning itself to the global markets. To maximise the benefits of restructuring, the management team need the skills of full time project managers to focus on delivering specific projects which affect technology, processes and people across the company.

Your career path probably started in one of the following disciplines:- accountancy; banking; IT, process management within a manufacturing environment; or management consultancy. Now, as an ambitious project management professional, with a track record of delivery, you need new challenges and want to be able to experience the difference you make.

For these opportunities, we welcome applications from people at any point in their project management career, with or without Financial Services experience. The career prospects in this international environment are excellent. The roles will allow for fast track management development with existing line managers also joining the team.

The Challenges

- Structure and manage complex international projects spanning many functions and lines of business.
- Full project life cycle responsibility.
- Independent reviews and troubleshooting.
- Lead and motivate project teams across the organisation.
- Produce business and technical analysis to support executive decision making.

The Requirements

- Proactive professionals with in-depth project management skills and a track record of delivery.
- Ability to command respect in a highly pressured environment with a willingness to take responsibility.
- Cultural flexibility, excellent communication and diplomacy skills.
- Innovative approach to problem solving tempered with common sense.
- Prepared to travel in the course of work - predominantly in Europe.

Please send your CV with current salary details to: Fiona Jobson, K/F Selection, 252 Regent Street, London W1R 6HL, quoting Ref: 1077/L.

Alternatively send by fax on 0171-312 3350 or by e-mail to cv@kfselection.com Internet Home Page:http://www.kfselection.com

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- Financial Regulation
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The ideal candidate would be a practitioner looking to move into research and/or consultancy combined with training. IFF offers the potential of high earnings with the flexibility to suit your schedule. Previous training experience is useful but more essential is the ability to communicate your expertise to others.

Please reply in writing with a detailed CV to:

Veronika Guggenbichler, General Manager,
The International Faculty of Finance (IFF)
2nd Floor Market Towers, 1 Nine Elms Lane, London SW8 5NQ

APPOINTMENTS WANTED

TOP LEVEL FINANCE PROFESSIONAL

A forty year old ACA, FCCA with 18 yrs overseas experience gained in the accounting profession, financial institutions, oilfield service industry and international trade seeks change. Major strengths are people skills, commercial acumen, banking relationships, worldwide network of contacts and strong "bottom line" orientation. Currently Finance Director for a trading group with offices in Far East, Middle East, Eastern Europe and USA. Extensive experience in setting up new operations in difficult countries in Eastern Europe (including CIS) and Asia/Middle East (including acquisitions/alliances in India. Would ideally like to be an important part of a highly ambitious, tightly knit, performance oriented international group, preferably in the Middle East or Far East.

Please write to: Box A5380, Financial Times, One Southwark Bridge, London SE1 9HL

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The successful applicant will have a strong financial background including a good knowledge of the international treasury and capital markets, sound commercial awareness and an excellent command of the English language. Must be able to work under pressure and to deadlines.

Solid editorial experience and an understanding of the key personalities within this arena are essential.

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Based at the Swiss head office, the Group Finance Controller will join a highly professional and pro-active team responsible for all aspects of financial management, reporting and control of the Group. The Controller will drive the further development of accounting policies, procedures and management information, and assist in the implementation of new financial systems.

The successful candidate will demonstrate a proven track record in financial accounting and reporting. Ideally already in an international Group Finance role, you will have a good understanding of manufacturing processes.

This Group appointment requires a professional accounting qualification and highly developed management and PC skills. Fluency in English as well as geographical mobility are essential to take advantage of this highly international career opportunity.

For further information and a confidential discussion contact Dennis de Munck on (+44) 171 209 1000 (quoting reference FT0097) or send/fax your CV to FSS Europe, Charlotte House, 14 Windmill Street, London W1P 2DY Fax: (+44) 171 813 9479 e-mail: ddm@fss.co.uk

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The position is vacant due to the promotion of the previous incumbent. Reporting to the Divisional Finance Director, key aspects of the role include managing a small team of project accountants involved in acquisitions and their integration, major capital expenditure proposals, business reviews and a variety of ad-hoc projects. There will be a significant interface with the parent group and the role therefore has high exposure.

A young ACA, you will see this role as one where you can make a visible contribution leading to a more senior line appointment in the medium term. Able to lead by example, you will have the toughness to ensure that difficult and complex projects are driven to fruition, yet have the flexibility to be sensitive to a divisional culture which is to be non intrusive into its businesses. Your background in a similar group role, or as a manager in the profession will have given good acquisitions experience.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to David Owens, Coopers & Lybrand Executive Resourcing Ltd, Temple Court, 35 Bull Street, Birmingham B4 6JT quoting reference D566 on both letter and envelope.

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Continuing business expansion and rapid technological change have created opportunities spanning the financial support function including product control, management accounting, trader support, internal control and technical/project accounting. Ideal candidates will be graduate qualified accountants with a proven track record of achievement in a challenging environment – preferably banking or corporate treasury. A team player, you must be control conscious, technically competent in treasury financial products with strong PC skills, able to deliver to deadlines while possessing drive and a steely determination to succeed. A flat organisational structure necessitates strong interpersonal skills.

In return, we offer each individual the freedom to develop within a stimulating and enjoyable team working environment while enjoying considerable professional and technical support. Career development is merit based and there is a competitive remuneration package. Most importantly, we offer dynamic personalities the opportunity to realise that their contribution in support can make a significant difference in the right organisation.

Please write in the strictest confidence, enclosing a current cv and quoting reference FT1094, to Vicky Wallis, Human Resources Manager, The Royal Bank of Scotland plc, Waterhouse Square, 138 - 142 Holborn, London EC1N 2TH. Closing date for applications: 3 April 1997.

The Royal Bank of Scotland

DIRECTOR OF FINANCE

up to £47k including car **Bath**

Bath Mental Health Care NHS Trust is a leading provider of mental health care, with a reputation for delivering high quality services across the Health Authorities of Avon, Somerset and Wiltshire. A career move by the present incumbent offers the opportunity for an ambitious finance professional to join an exceptionally able management team.

As a senior member of the executive management team, the Director of Finance will set the framework for the Trust's financial, information and contract management activities. The post also includes responsibility for the development of a separately accountable business unit containing certain clinical services.

The successful candidate will be a qualified accountant who is able to adapt quickly to new situations and work effectively with an enthusiastic, energetic and ambitious Board and Executive Team. A combination of deep concern for patients with robust control of cash is required.

Extensive post qualification experience will have been gained in information systems (particularly PCs), planning/budgetary control, cash management and contracting. Strong presentation and negotiation skills and proven team building/leadership abilities are key requirements for the post.

Please send your CV and covering letter to our advisor, Adrian Wheale of Wheale Thomas Hodgins plc, Executive Resourcing, at Bath Mental Healthcare NHS Trust, St Martin's Hospital, Midford Road, Bath BA2 5RP. Closing date is 9 April 1997, with interviews planned for 28/29 April 1997. For further information, please contact Roger Pedley, Chief Executive on (01225) 832255.

BATH MENTAL HEALTH CARE TRUST

Finance Director

North West **c£60,000, car, bonus, equity**

Highly profitable, expanding, fast moving consumer goods distributor with a turnover in excess of £30 million owned by the management and with venture capital support seeks Finance Director to be integral member of management team. Key role for bright, energetic finance professional to support executive colleagues in positioning the business for intended future flotation.

THE ROLE

• Pivotal member of senior executive team. Lead, manage and develop staff in finance and I.T. functions to achieve highest standards of reporting and control. • Work closely with the Board on all strategic, commercial and operational issues. Manage ongoing relationships with external investors, advisors and debt providers. • Enhance and develop forecasting, planning and modelling procedures to provide decision making platform for future strategic development of the business.

THE QUALIFICATIONS

• Graduate qualified accountant, likely to be in his/her mid thirties with high level of intellect and proven record of achievement in a fast moving, multi-site, distribution/service environment utilising sophisticated management information systems. • Stature and maturity to develop quality working relationships with colleagues and advisors coupled with familiarity with requirements of stock exchange, banks and equity providers. • Demonstrable record of successful utilisation of M.I.S. systems in fast moving customer facing business with record of positively impacting on the successful development of the business.

Please reply in writing to BHM, 4th Floor, EMCO House, 5/7 New York Road, Leeds LS2 7PL enclosing a full Curriculum Vitae with current salary details, quoting Reference BHM10144. Telephone 0113 246 7033. Fax 0113 243 3691. Closing date for receipt of applications is 27th March 1997.

BHM
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Senior Manager Finance & Planning (Product Management)

London

You will work closely with a well established and energetic team of marketing managers to provide management information and a financial perspective on the performance of existing products and new product developments. Your primary role will be to shape business strategy and improve business performance, constructively challenging new marketing initiatives from a financial viewpoint.

The key selection criteria are:

- Thorough grasp of marketing in the context of a consumer-based business
- Analytical, evaluative approach
- Effective people management
- Well developed communication skills and personal impact

Senior Manager Finance & Planning (Operations)

South East

You will lead an accounts team supporting customer services and other operations, employing 1500 people and based in two key locations in the South East. Your primary role will be to provide line accounting, cost analysis and financial control support to Operations management. A key dimension is to act as a catalyst to the improvement of business performance, challenging operational initiatives from a financial viewpoint.

The key selection criteria are:

- Track record in leading, shaping and integrating a line accounting function in support of a large scale operation
- Experienced in activity-based costing and project evaluation techniques
- Effective team leadership and people management
- Well developed communication skills and personal impact

For either of these positions, you will be a qualified, highly experienced accountant aged 32-40 years, with a strong corporate business background, ideally with direct experience of the credit card or a similar industry.

To discuss these opportunities in confidence please contact Trevor Green on 0171 405 4161 or send your CV to him at the address below, quoting ref no 49433.

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What we are looking for is fluency in the Turkish language, a minimum of three years experience and proven track record in investment management, sales, training and corporate finance, with well defined career goals and intellectual as well as physical dynamism

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We are looking forward to receiving your resume now by fax or mail at Yapı Kredi London Representative Office Havenfields, Aylesbury Road Great Missenden Bucks HP 16 9PL England. Phone: (44 1494) 890 303, Fax: (44 1494) 890 404

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Corporate Finance is evolving rapidly and there is no better example of this than at Grant Thornton in the North of England.

Already in the upper echelons of the top 4 Corporate Finance firms and with total transactions last year valued in excess of £450 million, they are now preparing for the millennium.

As they implement their strategy resulting in significant growth, they can offer exceptional career opportunities for ambitious and highly motivated individuals with superb business acumen and well developed financial skills gained in industry, finance or the profession.

This interesting and challenging work involves high profile lead advisory assignments. You will learn how to generate deals and enhance shareholder value. The flat operational structure affords real opportunities to be innovative with autonomy. The clearly defined career paths are tailored to suit individual aspirations and the exceptional packages, with large bonuses, are designed to attract the very best players.

With specific vacancies in Leeds, Manchester and Liverpool at Partner Designate, Senior Manager and Executive level, this is your chance to make your mark in Corporate Finance. So, whether your experience has been gained in industry, finance or the profession, if you wish to succeed in this field, you really should be talking to Grant Thornton.

Be prepared for the millennium. For further information or an informal discussion (in complete confidence) regarding the opportunities on offer, please telephone Mary Byrne on 0161 236 1212 or write to her at: Stark Brooks Associates, 2nd Floor, St James's Buildings, Oxford Street, Manchester M1 6FQ.

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CORPORATE FINANCE NORTH

International Operational Review

London **£45-55,000 + Car**

THE COMPANY
Young & Rubicam Inc is a world leading advertising and commercial communications conglomerate. Main activities include advertising, public relations, design and direct marketing.

Y&R Europe, represented in 24 countries, with its headquarters in London, has seen dramatic and exciting growth in the last few years. Major account wins such as Ericsson and United Airlines and established clients such as Colgate, Pirelli and Suchard have placed Y&R in an enviable position within the European market.

THE ROLES
Two high profile roles reporting directly into the Director of Audit in New York have been created to enhance pan-European business operations. Emphasis is being placed on the operational or 'added value' areas of audit, working very closely with local Finance Directors and General Managers.
Key responsibilities:
- To identify risks and opportunities to the corporation and to design and implement a programme that addresses operational business issues in a cost efficient manner.
- To consider compliance issues with regard to local and US legal regulations, commercial and government client contracts, as well as specific corporate policies and procedures.
- Projects including:
  - Pre and post acquisition review.
  - Analysis of information system technology.
  - Specialist investigations/forensic audits.
  - Provision of advice to senior management.

Both positions involve a high degree of European travel (50% +) and offer the opportunity to join the company during an expansionary phase. Long term progression could involve a move to a line management position within the worldwide network.

THE PERSON
You will be an outgoing, yet professional accountant with potential to move to a line role within two to three years. The ability to work autonomously and deal independently with operating companies throughout Europe and with senior management in New York at both a financial and operational level is essential, as is the ability to work to tight deadlines and to produce credible conclusions and suggestions.

Candidates should ideally have:
- An ACA qualification, although CIMA, ACCA or MBA professionals would be considered with relevant experience.
- A minimum of two years post qualified experience.
- Strong evaluation and analysis skills.
- Excellent report writing, presentation and verbal communication skills.
- High self motivation with the ability to work independently.
- Computer literacy and a familiarity with Word, Excel and Powerpoint is essential.
- A second European language, although preferred, is not essential.

In the first instance, please send your CV with covering letter stating your current salary details to our retained consultants, Simon North and Russell Adam at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH, quoting reference 339319.

Y&R EUROPE

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Johnson & Johnson

Financial Controller

Hampshire **£ Attractive + FX Car + Relocation**

Johnson & Johnson is a US$20 billion multinational that enjoys an enviable reputation as the largest and most comprehensive healthcare company in the world. The company employs more than 82,000 employees and its international business is conducted by subsidiaries manufacturing in 40 countries and selling products in more than 175 countries throughout the world.

In order to strengthen their financial and commercial expertise, Johnson & Johnson Limited, the UK consumer company, now seeks an ambitious qualified accountant with strong communication and technical skills, a 'hands on' flexible work ethic and the ability to become an integral member of the management team.

Reporting to the Finance Director and managing a small highly skilled team, the Financial Controller will be responsible for ensuring a comprehensive financial support service is given to operations at the Portsmouth manufacturing site.

The ability to establish credibility across all management disciplines within the UK and European business will be vital.

Prospective candidates will be high calibre qualified accountants who have demonstrated potential in their career to date and are now looking for their first Financial Controllership. You will have well developed interpersonal skills, along with the ability to communicate with and influence others at all levels in the organisation. Future mobility is important as the company offers excellent career development opportunities both in the UK and abroad. Relocation assistance will be available.

Interested candidates should forward a comprehensive CV, including details of current salary and day time telephone number, quoting reference 328974, to Peter Istead or Wayne Mason ACCA at Michael Page Finance, 33 Blagrave Street, Reading, Berkshire RG1 1PW.

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Group Accounting Manager

Commercial Media Entry Point for 'Big 6' Manager

London **c £45,000 + Benefits**

At the forefront of innovation and international communication, our client is truly a world leader within the media and entertainment industry. Its name is synonymous with excellence in a hugely diverse range of activities from television to publishing. In an increasingly competitive and changing market, the organisation is responding with ambitious plans to meet the challenges and opportunities of the future.

At the centre of the organisation, a number of high profile functions drive these exciting developments. These include the Corporate Planning and Group Accounting Division which plays a key role in providing valuable decision-making and investment/financial strategies.

Due to an internal promotion, the division wishes to strengthen its capabilities by recruiting an additional team member who will contribute to the success of and add value to the business.

Initially, the successful candidate will take full responsibility for group accounting, supervising and developing a well respected team.
Key responsibilities will include:
- Statutory reporting and compliance.
- Production of monthly Board Financial Reports.
- Review of results and preparation of detailed analyses.
- Maintenance and development of the consolidation accounting system.
- Consolidation and review of budget submissions.

This role is seen as a key entry point in a rapidly changing and developing business. It is anticipated, therefore, that the successful candidate will have the potential for personal development towards strategy, business planning and analysis.

Applications are invited from ambitious ACA's with around five years post qualified experience, currently working as a Manager within a 'Big 6' firm. In addition to the obvious technical skills, a flexible and proactive approach, together with first class interpersonal skills are pre-requisites.

Please apply in writing to Elizabeth Ewen at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH quoting reference J/340625.

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International Tax Advisor

London **£45,000 + Excellent Bens**

Our client is a natural resources group with annual revenues in excess of US$3 billion. The group is active in worldwide exploration, mining, processing, marketing and trading of metals and minerals. Acquisitive in nature, the company has experienced rapid international expansion in recent years, striving to achieve their stated aim to become one of the worlds foremost natural resources groups.

The need for excellent proactive tax advice is essential in such an environment and they are now looking to further develop the tax function through the appointment of an International Taxation Advisor. Specifically the duties and responsibilities of this role include:
- Visits to selected operational sites to review local tax planning initiatives and opportunities from a broader group perspective.
- Advising on tax effective structuring on transactions, including reorganisations, acquisitions and mergers.
- Support commodity groups in their ongoing business activities.
- UK corporate tax compliance work.

Potential candidates should be ACA and/or ATII qualified with 2-3 years good international tax experience and sound UK corporate tax knowledge gained either in a 'Big 6' professional firm or multinational company. We are looking for a team player who will enjoy working under their own initiative. You will need to possess excellent communication skills and be able to relate to business and operational managers from around the world.

This position is an excellent opportunity for a tax professional to work in a progressive worldwide company where you will gain varied and in depth international taxation experience.

Interested candidates can contact Mark Pryor in the strictest confidence on 0171 269 2248, or send your CV to him at Michael Page Taxation, Page House, 39-41 Parker Street, London WC2B 5LH. Alternatively fax on 0171 831 6662.

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Novo Nordisk

Financial Controller

Crawley **to £40,000 + Car + Relocation**

Novo Nordisk, one of the largest biotechnology companies in the world, is a world leader in insulin and diabetes care and the major producer of industrial enzymes. A £1.6 billion organisation, headquartered in Denmark, it also manufactures and markets a variety of other pharmaceutical products, including human growth hormone and HRT.

Novo Nordisk Pharmaceuticals Ltd, one of the Group's five core clinical development centres has a turnover in excess of £85 million and is responsible for the UK's healthcare sales and marketing activities. To assist in the ongoing development of an expanding UK market, the company is now seeking to recruit a Financial Controller.

Reporting to the Finance & Administration Director, with regular involvement in senior management meetings, key responsibilities will be:
- In depth analysis of current and new product areas.
- Provision of commercial and financial support to UK management.
- Annual budget preparation and quarterly re-forecasting.
- Commercial services area including inventory control and management of UK distribution system.
- Monthly reporting to both UK and Denmark and development of the UK internal reporting package.
- Development and support of staff.

Appropriate candidates will be graduate qualified accountants aged 28-35 with a minimum of five years in a commercial environment. Experience of high level analysis and non-finance liaison is vital, as is the ability to communicate and function effectively in a highly motivated performance orientated organisation.

Applicants should forward a comprehensive CV, quoting reference 339798 including details of current remuneration, to Janice Ho at Michael Page Finance, Cygnet House, 45-47 High Street, Leatherhead, Surrey KT22 8AG.

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FX Currencies Analyst

London **£ Excellent**

Our client is a leading international financial institution and ranks as one of the world's foremost financing houses. They are active in the complete range of Capital Markets and Investment Banking activities and enjoy a particularly strong reputation as a pre-eminent foreign exchange dealer and international treasury operation. The appointment of a FX Currency Analyst is a new, high profile position to advise and work with the Foreign Exchange team with the potential for growth into a global role.

Key responsibilities for the successful candidate will be to:
- Provide comprehensive technical analysis to the banks spot, forward and futures traders and salespeople.
- Advise the above on their intra-day and short-term trading strategy.
- Enhance the levels of technical analysis available to the traders.

Candidates of interest will be graduate calibre and have an excellent understanding of, and track record in, Foreign Exchange analysis. They will display a detailed knowledge of FX and Futures markets and have the communication and presentation skills necessary to disseminate their advice to the business.

This is an excellent opportunity for a talented individual to make a difference and enjoy a genuinely career-enhancing role. Interested individuals should contact Karen Gay or Russell Barton at Michael Page City on 0171 831 2000, or alternatively send CV details to them at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH or fax on 0171 405 9649.

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Finance Manager

Birmingham **Attractive Package**

Our client is a prestigious property organisation specialising in both commercial and residential markets. They are involved in investment management and development of properties and following a strategic review, are seeking opportunities to take the business forward.

The organisation is now looking to strengthen its finance function by appointing a Finance Manager. Reporting to the Chief Executive, you will have complete responsibility for the accounting operations. More specifically, you will be expected to develop and maintain effective accounting, internal control and management information systems and procedures. You will advise on strategic financial options and ensure appropriate action is taken to enhance the financial performance of the business.

Prospective candidates will be qualified accountants with a minimum of four years post qualification experience in industry or commerce. You must possess good interpersonal skills, have previous experience of strategic planning and analysis, cash flow management and investment appraisal and be able to develop computer accounting systems. Knowledge of trust structures and experience in commercial business/property will be an advantage.

Interested candidates should apply in writing, quoting reference 303305 enclosing a full curriculum vitae (including a daytime telephone number and details of present remuneration) to Jim Davie ACA, at Michael Page Finance, The Citadel, 190 Corporation Street, Birmingham B4 6QD.

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Asian Banking Opportunities

Leading Investment Bank – Attractive Packages

Regional Controller, Equities – Hong Kong

You will be responsible for financial control of the equities business in the Asia Pacific. You will head a regional team of 20, responsible for P&L reporting, management accounting and systems development. You are also expected to develop strong working relationships with the research and sales teams.

ACA/CIMA qualified, you will have a strong background in equities. High energy levels are required in this dynamic and fast-paced role, including the ability to motivate and effectively communicate with internal clients as well as the existing team.

Head of Operations – Manila

Reporting to the Executive Director in the regional head office, you will manage all back office aspects for this expanding business division including financial control, IT, human resources, operations and administration.

Aged 30-40 years and preferably ACA/CIMA qualified, you will have a strong track record in stockbroking or funds management. You should possess excellent communication and interpersonal skills to interact closely with research and broking functions.

Deputy Financial Controller – Tokyo

Responsible for financial control in a treasury based environment, you will provide leadership and direction and establish yourself as a product specialist within financial control. The ability to liaise and interact effectively with front office traders and dealers is essential, including motivating staff.

You should be ACA/CIMA qualified, with a strong accounting background with a bank or stockbroker. A dynamic personality with good interpersonal skills is essential. Japanese experience is not critical, although maturity to blend with different cultures is important.

FX Business Control – Tokyo & Singapore (2 roles)

In both locations, you will be responsible for FX P&L reporting. You will establish yourself as a product specialist among dealers and back office staff and have the potential to move into a controller role. You will be a strong communicator and provide direction and motivation for staff.

ACA/CIMA qualified, you will have at least 4 years experience in FX product accounting. Previous experience in derivatives product control will be an added advantage. Japanese experience, although an advantage, is not critical for the Tokyo based role.

Expatriate benefits will be provided for the Tokyo and Manila based roles.

For the Hong Kong based role, please telephone Joey Ching on 00 852 2530 2000, fax 00 852 2530 2255, Michael Page International, 601 One Pacific Place, 88 Queensway, Hong Kong.

For the Singapore, Manila and Tokyo based roles, please telephone Foong-Kam Lee on 00 65 533 2777, fax 00 65 533 7227, Michael Page International, #17-05 Clifford Centre, 24 Raffles Place, Singapore 048621.

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European Finance Opportunities

Multinational Hi-Tech

c. £40k package (including car)

Berkshire

Our client is a rapidly growing subsidiary and leading player in one of the world's largest and most dynamic hi-tech groups.

As part of their integrated European financial support strategy there is currently a need to recruit two new outstanding young accountants, to be based at their prestigious new offices in Berkshire. These are key European appointments, and both will report to the European Financial Controller. The roles offer travel, along with excellent career development opportunities.

European Finance Manager

Supported by a team of people, this is an important and challenging role. You will manage the accounting functions and report on the financial performance of specific European countries, within defined service level agreements. Specific responsibilities will include:

- ▼ Management of financial bureau services across Europe.
- ▼ Monthly reporting and performance review.
- ▼ Preparation and analysis of budgets/forecasts/strategic plans.
- ▼ Coordination of local European statutory returns and reporting.
- ▼ Development of management information.
- ▼ Management and control of working capital levels.
- ▼ Review of business proposals/investment opportunities.
- ▼ Development and maintenance of financial controls.

A qualified accountant, with circa 2/3 years PQE, you will have financial and management accounting experience gained within a large company in a fast moving environment. Previous experience of managing staff, together with well developed computer skills is essential. Able to effectively interact with all levels of management and manage rapidly changing priorities. European language skills, particularly German and French, would be highly desirable.
Ref: 34415

European Financial Planning & Analysis Manager

This is an important and highly visible role, offering significant exposure to European Controllers and senior management, which also requires close working relationships with country client managers and professional services Directors. Principal responsibilities will be:

- ▼ Consolidation of European actuals/forecasts/budgets.
- ▼ Presentation of business performance and trend analysis.
- ▼ Annual planning cycle.
- ▼ Management of European systems exploitation.
- ▼ Strategic planning.
- ▼ Customer analysis by marketing programme.
- ▼ Investment proposals.
- ▼ Influencing the shape of business growth and strategic/tactical direction.

Applicants for this position will be highly self-motivated recently qualified accountants, with strong analytical and presentation skills. You will be very computer literate, ideally with in-depth knowledge of Hyperion software. European language skills, particularly German and French, whilst oot essential would be useful. Ref:36036

Both of these positions need graduate calibre candidates who can sell ideas, influence people and contribute to business decisioo making. Strong communication skills, a pro-active approach and an ability to maintain integrity under pressure are also necessary. Opportunities for travel and fast track career development exist. Experience gained in the hi-tech industry would be particularly welcome.

If you are interested in either position and meet the candidate profile, please send your curriculum vitae with a note of daytime telephone number and current salary to: Shaun Ascough ACCA, Martin Ward Anderson, Goswell House, 134 Peascod Street, Windsor, Berkshire, SL4 1DS. Alternatively e-mail us on info@mwa.co.uk. Please quote the appropriate reference number.

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RECRUITMENT CONSULTANTS

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Robert Walters Associates is one of the leading international recruitment consultancies. With offices in London, Windsor, Sydney, Wellington, Auckland, Hong Kong, New York, Amsterdam and Brussels, we offer clients and candidates a specialist service in financial and information technology temporary and permanent recruitment in the commercial and banking sectors.

Established for more than 11 years, clients include household names and major financial institutions. We recruit for 71 of the UK's top 100 companies and 50 of the top 100 companies as ranked by Fortune 500.

We currently have 235 employees – up by over 100 in the last 12 months. The Company was floated on The London Stock Exchange in July 1996 and last week announced annual turnover in 1996 up 91.5 per cent to £45.9 million and pre-tax profits up 86.3 per cent to £3.9 million.

Offices in Hong Kong and Auckland were only opened in the last few days. We are developing new teams in the UK in IT, credit management, corporate finance, insurance and market risk compliance and regulatory supervision as well as growing and sub-dividing our existing teams.

Driven by a reputation for quality, service and a *can do* approach, we are see exciting growth opportunities. We need more consultants to join our fast growing, motivated, committed London office.

Successful candidates will be aged 23-32 and *possess* enthusiasm, *energy and commitment* to work for the premier organisation in its field. You must have the ability to work in a highly focused team environment and be able to communicate easily with senior management in some of the world's leading organisations.

We would be particularly interested to hear from those with experience in finance and accountancy or from those in the recruitment sector whose aspirations cannot be satisfied by their present employer.

We offer a structured training programme, a reward system based on achievement in a team and other benefits. Our employment packages are the envy of our competitors as well as providing the opportunity to quickly develop your career in a highly respected Group.

Sounds interesting? Want to be part of the growth? Want to work hard and play hard in a remunerative positive culture?

Call Giles Daubeney on 0171-379-333 or submit a comprehensive curriculum vitae to him at Robert Walters Associates, 10 Bedford Street, London WC2E 9HE, fax 0171 915 8714 E-mail: giles.daubeney@robertwalters.com Naturally all enquiries will be treated in the strictest confidence

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Product Controllers

US Investment Bank

Excellent Packages **City**

This US investment bank is expanding its operations in London to include a full range of proprietary trading and sales services in European Emerging Markets, Corporate Finance and Fixed Income securities. These operations will complement its current and *highly successful operations in* institutional sales and trading of international Equities. A number of positions have arisen for bright, dynamic accountants to join the bank and play an integral part in its future growth.

THE POSITIONS

- ◆ Reporting to the Financial Controller, responsibility for all product accounting activities including daily P&L, risk management and funding analysis for traded products.
- ◆ Establish rigorous controls, systems and risk management methodology. Ensure timely and accurate product and fioaocial reporting. Significant responsibility for day-to-day accounting departmental procedures.
- ◆ Ad-hoc reviews and analyses of new products, operational procedures and accounting controls.

QUALIFICATIONS

- ◆ Highly numerate qualified accountants, with a minimum of 2 years' relevant experience in a leading audit or accounting firm, investment bank or financial services company.
- ◆ Understanding of securities trading activities ideal, with drive and ambition to learn all aspects of the industry. *Demonstrable success* in preparing and developing analytical financial reports. Strong knowledge of spreadsheets and systems.
- ◆ First-class communication skills. Commercial approach. Energetic self-starter. Team player.

Please send full cv, stating salary, ref FS70311, to NBS, 10 Arthur Street, London EC4R 9AY

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Group Financial Controller

Major Service Provider

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Exciting career opportunity for an up-and-coming professional in a successful and expanding company.

THE COMPANY

- ◆ Well regarded, a leader in its field. Acquisitive.
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- ◆ Investing in new technology and systems.

THE POSITION

- ◆ Report to, and act as deputy to, Finance Director. Contribute to corporate policy and direction.
- ◆ Responsible for financial systems, reporting and controls. Drive through change to centralised accounting.
- ◆ Lead, manage and motivate the finance team through a period of development, integration of *acquisitions and consolidation.*

QUALIFICATIONS

- ◆ Professionally qualified accountant, probably a graduate. Proven level of success at senior level.
- ◆ Commercial experience, ideally gained in complex multisite organisation with sophisticated systems and controls. IT literate.
- ◆ Excelleot communicator with coofidence and ambition. Potential to develop career to Board level.

Please send full cv, stating salary, ref PS703HI to NBS, 54 Jermyn Street, London SW1Y 6LX

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The Mentor 1 Group

SHAPING THE FUTURE OF ASSET MANAGEMENT

FINANCE DIRECTOR

The Mentor_1 Group is a dynamic and growing British company providing high value software and hardware based solutions for asset reliability and integrity management for major production facilities in the Oil and Gas, Petrochemicals, Chemicals and Power Generation industries, while still small we have ambitious plans for growth and related fund raising. The company is expanding its aggressive sales, marketing and engineering teams to sell directly and with agents to end customers in the UK, Europe, USA and Canada. Experience in the software industry, and in contracting with the issue of work in progress measurement will be important. Split site working in the UK and with a growing number of international offices all add to the interest and the challenge of the position.

Financial and management accounting experience required and willing to get into and deliver the detail - but you will also be a key part of the executive team which drives the business forward. Based in Reading there will also be travel to Manchester and Scotland and overseas.

Send your resume to Mrs F Dudley-Hughes, Sussex House, 6 The Forbury, Reading RG1 3EJ.

Chief Financial Officer

Investment Banking — **£ Outstanding Package**

Our client is the investment banking subsidiary of a leading global institution and has a rapidly expanding business in the debt and treasury markets.

The scale of this growth, both in terms of transaction volume and product sophistication, has created the need for a truly outstanding finance professional to be Chief Financial Officer and a key part of the senior management team.

The role will incorporate all aspects of finance including product control, financial accounting, management reporting, systems development, taxation and regulatory issues. There will clearly be considerable interface with all other support functions and the front office management team.

Candidates will be graduate chartered accountants, probably aged 35-45, with a demonstrable record of achievement with a high quality investment bank. They should have experience of change management, strong leadership and man management skills supported by a detailed understanding of debt and treasury instruments including interest rate and foreign exchange derivatives. Long term prospects for the exceptional individual sought are outstanding.

The remuneration package will include a substantial base salary, a highly attractive bonus scheme and supporting benefits and will not be a limiting factor for the right candidate.

In the first instance, interested applicants should write, enclosing a comprehensive curriculum vitae and full details of remuneration package to Jonathan Williams, Managing Director, Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Please quote reference 322260.

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FINANCIAL CONTROLLER

For a busy international CASINO in BUDAPEST.

Successful candidate must have relevant experience with a reputable casino operator. Excellent package. CVs to:
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9 Station Approach,
Borough Green,
Sevenoaks, Kent TN15 8AD
or Fax: +44 (0) 1732 882428

ED&F MAN GROUP plc

HEAD OF INTERNAL AUDIT

LONDON — **ATTRACTIVE PACKAGE INCLUDING BONUS & BENEFITS**

A long established, highly successful UK public company, E D & F Man is a leading international trading and financial services group with a market capitalisation of c.£500 million. It is one of the world's principal suppliers of sugar and molasses as well as holding significant shares in the markets for cocoa, coffee and edible nuts. In recent years Man has pursued a strategy of vertical integration in these businesses and today operates in 60 countries and adds value through involvement in transportation, storage, processing and distribution. In financial services, its futures brokerage business ranks in the top 6 worldwide and its asset management business, with over US$1 billion under management, is recognised as one of the foremost distributors and promoters of quantitative investment products.

- Reporting to the Group Finance Director and Audit Committee, the Head of Internal Audit will be responsible for the development of this key function in a decentralised group of businesses, a number of which operate in emerging markets.
- Responsible for ensuring that the practice works closely with line management to assess business risk and provide the tools and training which will allow them to continue to enhance the effectiveness of internal controls.
- Managing and developing the skills of a multi-disciplinary team, must be able to influence operating businesses and contribute to the overall strategy. Broadening the capability of the function, expected to run ad hoc analytical projects.
- Likely to be in their early to mid 30s, must have worked within a large international organisation, operating globally across a diverse range of businesses. Either a senior manager in one of the major audit firms or with a corporate internal audit function.
- Graduate, qualified accountant with a mix of technical excellence, systems and people management skills. A good comminnicator, stature to operate at a senior management level, have the intellect and pace to be effective in a dynamic environment. Keenly commercial, able to assess "business risks".
- Willing to travel extensively, opportunity for career progression is excellent.

Please apply in writing quoting reference 1376
with full career and salary details to:
Katharine Bowyer
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11 Hill Street, London W1X 8BB
Tel: 0171 290 2043
http://www.gbnet.co.uk/whitehead

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CHIEF FINANCIAL OFFICER

SOUTHAMPTON — **c £60,000 + BONUS + BENEFITS**

In the last 15 years this international distribution company has emerged as a dominant force within its industry sector. Currently the market leader in their field, their success to date has been due to the introduction of technically innovative products, marketed by a worldwide network of own offices and agents. They are now poised to capitalise on their position and implement a dynamic but controlled growth policy. This has necessitated the recruitment of a commercial Chief Financial Officer.

Reporting to the Managing Director your key tasks will include:

- directing accounting and control activities and liaising with the Group's independent advisors
- co-ordinating annual planning process and reviews, results against plans, identifying opportunities for improvement
- developing and monitoring international tax strategies
- providing financing needs
- analysing competition and industry key performance factors
- supporting the Managing Director in all commercial decisions in order to drive the business forward.

You will be a graduate qualified accountant ACA, CPA, ACMA with a minimum of six years commercial experience including international exposure. A proactive approach to problem solving combined with strong interpersonal and communication skills are essential.

For further information please contact Giles Daubeney at Robert Walters Associates, 10 Bedford Street WC2E 9HE, telephone 0171 379 3333, fax 0171 915 8730. E-mail: giles.daubeney@robertwalters.com

ROBERT WALTERS ASSOCIATES

FS30091

LONDON WINDSOR AMSTERDAM BRUSSELS NEW YORK HONG KONG SYDNEY WELLINGTON AUCKLAND

An Accountant to work within the Schools Private Finance Initiative Team in the Department for Education and Employment

The postholder's role will be to advise and work with administrator colleagues within the Department in identifying possible PFI projects in schools, supporting their development, and solving problems relating to individual projects and problems of a more general nature. There will be contact with people working on the PFI in other Government Departments and the Private Finance Panel Executive.

The postholder will be a qualified accountant in membership of one of the six CCAB bodies, at present working in a commercial environment, with

- experience in corporate or project finance, and some knowledge of the PFI
- reasonable understanding of corporate tax and VAT
- experience of dealing with the non-profit-making and public sectors
- preferably some knowledge of the state schools system in England.

The appointment will be in the first instance to the Schools PFI team in the Schools Capital and Buildings Division. The post will be in Central London but will involve some travel. There is likely to be some public speaking. The appointee can expect in due course to move to other posts in the Department requiring accountancy expertise and will be able to compete, alongside other civil servants, for promotion to posts in the Senior Civil Service. This post will be remunerated in a range between £26,000 and £43,680 with increases related to performance. An exceptional candidate could expect to start near the top of the range. There is a non-contributory pension.

DfEE is committed to being an equal opportunities employer; as an organisation we value and welcome diversity.

Applications by CV to John Whitaker, Room 3.10, Department for Education and Employment, Sanctuary Buildings, Great Smith Street, London SW1P 3BT, by 9 April.

D/EE

TAX ADVISER

Major European Banking Group

London, City — **c. £65,000 + Bonus + Benefits**

Our client is one of the world's leading global corporate and investment banking firms. It operates in over 50 offices across more than 6 continents with around 10,000 employees. The firm has a particularly strong European presence.

The London Tax Department has overall responsibility for the tax matters relating to trading in some 20 countries across Europe. This work is primarily focused upon tax planning and advice; compliance matters are dealt with at a local level.

Due to continued business expansion, an additional role has been created, reporting to the Head of Tax.

Specifically the role will involve:

- Responsibility for the provision of transactional and structural tax advice to the main trading entities/business units
- Involvement with the tax based products team in the bank, playing an active part from origination to completion
- Initiation of pan-regional tax planning policies.

The role would offer career advancement for ambitious candidates from similar financial institutions who wish to work more closely with the front office. Alternatively the role offers an exceptional career opportunity to an individual seeking a first move away from a 'Big 6' firm into a premier investment bank.

Long term career prospects within the group are excellent, both in the UK and overseas.

For further information on this retained assignment, please contact Jim Birtwell on 0171 415 2800 or forward a comprehensive resumé to Brewer Morris, 179 Queen Victoria Street, London EC4V 4DD. Facsimile 0171 463 0740.

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TAXATION RECRUITMENT SPECIALISTS

هكذا من الأصل

Retail Finance

West Surrey

Our client is a major retail group operating in an exciting and dynamic area of the leisure sector. The Company employs more than 4,500 people and can demonstrate a record of consistent profitability throughout a period of radical change and explosive growth. The Group is now poised to expand still further. To support its ambitious development plans, two additional positions have been created:

Financial Controller
c. £50,000 + F/X Car + Bonus

Reporting to the Director of Finance and managing a team of 90 people, responsibilities will include:
- High volume transactions processing
- Financial accounting
- Statutory accounting
- Tax
- Treasury
- Systems development

This challenging senior position requires a qualified accountant, aged 29-36, who has extensive man management experience, broad technical accounting expertise, IT skills and a track record of working in a large complex multi site organisation.
Reference 36624

Finance Manager
c. £38,000 + F/X Car + Bonus

Reporting to the General Manager of a recently established business unit which is currently growing at over 50% per annum, this key role will develop:
- Period reporting
- Procedures & controls
- 'State of the art' point of sale systems

This is a high profile role which demands a qualified accountant with strong financial accounting, internal controls and policies and procedures experience: candidates aged 26-34 who are currently working in the Profession or in an internal audit department would be particularly appropriate.
Reference 36529

Personal attributes for either position must include commercial awareness, strong influencing skills, professional credibility, a robust personality and the ability to thrive in a pressurised and fast moving environment. Mental agility and the ability to develop creative solutions to business problems will be essential. A knowledge of the retail sector would be particularly welcome.

If you are interested in either position and meet the candidate profile, please send your cv with a note of daytime telephone number and current salary to Tony Martin or Frances McCutcheon, quoting the appropriate reference, at Martin Ward Anderson, Goswell House, 134 Peascod Street, Windsor, Berkshire, SL4 1DS. Alternatively, please fax your details on 01753-850253 or e-mail us on info@mwa.co.uk.

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Genç Türkler! İstanbul sizi çağırıyor.

If you are already working in a market fired up by investment furore and still a position in the higher ranks of the Yapı Kredi Yatırım's new executive structure is a once in a life time opportunity for you to demonstrate and apply your professional skills, then you should contact us now!

Yapı Kredi Yatırım Inc., the most prominent, dynamic institution of Turkey's investment banking and capital markets scene offers the challenge of proving your motivation and ambition for achievement in one of the most exciting investment markets in the world.

Previously, as the investment banking and capital markets division of Turkey's largest private bank, Yapı Kredi Yatırım has maintained its leading position in the market by an outstanding track record, unique products and services and customer satisfaction on par with the best anywhere.

Now, in order to better meet our phenomenal growth and the challenges ahead, we have incorporated as a wholly owned subsidiary of Yapı Kredi Bank and are consequently in the process of exhaustive search for the very best talent to join our management team.

What we are looking for is fluency in the Turkish language, a minimum of three years experience and proven track record in investment management, sales, training and corporate finance, with well defined career goals and intellectual as well as physical dynamism.

What we can offer is a world of opportunities and a benefits package of international standards commensurate with responsibilities to be assumed and experience.

We are looking forward to receiving your resume now by fax or mail at
Yapı Kredi London Representative Office
Havenfields, Aylesbury Road Great Missenden Bucks HP 16 9PL England
Phone (44 1494) 890 303, Fax (44 1494) 890 404

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YAPI KREDİ YATIRIM INC. Yapı Kredi Plaza Büyükdere Caddesi Levent 80620 İstanbul Turkey E-mail.msensov@ykb.com

Financial Accountant – German Regulatory Reporting

London · Competitive Salary + Sub. Banking Benefits

Bankgesellschaft Berlin A.G. is a highly prestigious European Bank with an excellent reputation for strength, commitment and stability. The bank's investment banking initiative has enabled it to build and maintain client relationships throughout the world by providing a full range of Investment and Corporate banking activities. Major growth areas in London include Money Markets and Structured Derivatives, Foreign Exchange, Equities, Fixed Income, Repos/Securities Lending, Syndicated Asset Backed Lending and Corporate Finance.

Integral to the continued programme of growth they are now seeking to appoint a Financial Accountant – German Reporting who is motivated by change management in the primary development of regulatory reporting for both London and Berlin.

The Role
- Accountable to the Head of Regulatory Reporting the role requires the ability to interpret and advise on German Financial Reporting rules applicable to the business activities in London.
- To review and ensure compliance with all applicable German reporting requirements under the Commercial code banking legislation/ regulations and German accounting ordinances.
- To assist in the development of accounting systems with regard to the above.

The Person
- ACCA or equivalent accountancy qualification plus at least 3 years PQE.
- Experience of Capital Markets business and relevant product knowledge.
- Technical financial accounting background with a comprehensive knowledge of German or UK accounting legislation and GAAP.
- Strong communication skills.
- Ability to specify system requirements necessary for the successful control of this role.
- Fluency both orally and written in German and English.

Interested applicants should contact Colin Jones on 0171-248 2999 or alternatively send a detailed CV to him at
JJ Executive Search,
45 Ludgate Hill,
London EC4M 7JU.
(Fax 0171-248 2888).

BANK GESELLSCHAFT BERLIN

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appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

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Courtney Anderson
0171 873 4153

Toby Finden-Crofts

HGCA

Head Of Finance

Home-Grown Cereals Authority

LONDON **C £35,000 PLUS BENEFITS**

The Home-Grown Cereals Authority (HGCA), established by the Cereals Marketing Act 1965, is the recognised centre of excellence for services to the cereals and oilseeds industries. The Authority's mission is to improve the production and marketing of home-grown cereals and oilseeds. Funded by the industry, the Authority meets its objectives through sponsorship of Research and Development, provision of market information and export promotion.

A Head of Finance, reporting to the Director of Finance and Administration, is now sought to manage the financial and management accounting functions and to prepare forecasts, budgets and statutory accounts. A continuous review and implementation of improvements to management information systems is a very important aspect of the post. There will also be involvement with personnel and pensions administration.

Appropriate candidates will be experienced Financial Managers with a recognised accounting qualification. They will be rigorous and innovative and capable of contributing to all aspects of the Department's work. IT literacy and staff management skills are essential attributes as are verbal and written communication skills.

The remuneration package includes a non-contributory pension plan and private health insurance.

Please write, in confidence, with full career and salary details to Geoffrey Mather, MSL International Limited, 32 Aybrook Street, London W1M 3JL. Please quote ref. 62754.

The HGCA is an equal opportunities employer.

MSL

HEAD OFFICE LONDON TEL: 0171 487 5000 11 OFFICES NATIONWIDE

Manager
for Technical Assistance Facility: Russia

As part of its efforts to support the process of reform and establish a market economy in Russia, the British Government Know How Fund (KHF) through the Overseas Development Administration wishes to engage a manager to establish a major Technical Assistance Facility (TAF) in Moscow.

The purpose of the facility will be to provide British technical assistance and expertise to Russian companies to help improve their performance. The TAF manager will work through controlling shareholders or new investors and will support them in the restructuring of their investments. It is intended that the TAF will co-operate in the first instance with some of the main Russian banks, who have holdings in a broad portfolio of companies, and have expressed interest in this project.

The KHF will provide an initial three year commitment to meet administration costs for setting up and running a TAF, and for organising and disbursing up to £4.5 million of technical advice and expertise. The role of the TAF manager will be to identify and develop technical assistance projects. In addition to identifying British Consultants to implement the projects the manager will also supervise them. The Consultants will be contracted by the ODA. Project proposals will be assessed primarily by the impact the technical assistance will have on the financial performance of the company concerned.

The ideal candidate would be a British entity with expertise in assessing the value of investments and restructuring companies. Individuals will be eligible to apply but should bear in mind that bids will only be accepted from companies registered in the UK.

Interested parties are invited to submit an "expression of interest" of no more than 6 pages by noon on Thursday 3 April 1997 to: Mrs J Allison, Contracts Branch - Procurement, Appointment and NGO Department, Overseas Development Administration, Abercrombie House, Eaglesham Road, East Kilbride, Glasgow G75 8EA. Fax No: 01355 843499.

The "expression of interest" must provide details of relevant experience and qualifications and, in general terms, main areas of interest and expertise. Candidates found suitable will thereafter be sent a more detailed request to bid.

ODA KNOW HOW FUND

OVERSEAS DEVELOPMENT ADMINISTRATION
BRITAIN HELPING PEOPLE TO HELP THEMSELVES

London Docklands RISK MANAGEMENT C.£32K + Bonus + Bens

PERSHING SECURITIES LIMITED

Who are we?

A rapidly growing subsidiary of a leading Wall Street Investment Bank with an enviable record of achievement based upon unrivalled customer service. Pershing Securities Limited is the pre-eminent supplier of brokerage and investment management services to institutional and private client stockbrokers and undertakes nearly 12% of the transactions on the London Stock Exchange in addition to the providing PEP administration, nominee, and stock lending facilities.

What is the role?

Part of a newly formed specialist team dedicated to using the latest techniques to manage risk and further refine the control environment. Emphasis will be placed on securing a competitive advantage by introducing the latest post CREST technology and re-engineering the business processes to improve settlement speed and customer service, and to minimise unit processing costs. The successful candidate will have the potential to achieve the managerial status within one year.

Who are you likely to be?

Probably a qualified 'big six' ACA, preferably with a financial services background. You are looking to make a significant career move and are able to demonstrate good academic and professional development to date. Your desire to work in a dynamic part of the financial services sector is combined with an ability to understand a complex business and computer environment. Knowledge of the securities industry would be an advantage but, above all, you will be bright, enthusiastic, a good communicator and a highly motivated achiever.

Next steps?

If you believe you can contribute to the profitable and controlled growth of our business, please write to Dee Baxter at 3 Harbour Exchange Square, London E14 9GD, explaining how you meet our requirements and enclosing a CV which highlights achievements relevant to this position.

Pershing Securities Limited is a subsidiary of Donaldson, Lufkin and Jenrette; a member of the London Stock Exchange and LIFFE; and is regulated by The Securities and Futures Authority.

APPOINTMENTS ADVERTISING

Appears in the UK edition every Monday, Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call:
Karl Loynton on +44 0171 873 4015

Group Financial Controller

Major Manufacturing plc

£70,000 + Bonus & Benefits **London**

This major international manufacturing group requires a young, progressive financial controller, strong on analysis and interpretation, to drive their analysis, reporting and control systems.

THE COMPANY
- Change-oriented, diverse plc, c.£1.5bn turnover, 10,000 employees.
- Worldwide manufacturing operations. Reputation for innovative product development.
- Commitment to strong financial discipline and profitable growth.

THE POSITION
- Full responsibility at Group level for accounting and control. Report to Group Finance Director.
- Responsible for accurate financial and management reports, budgets, interpretation and analysis.
- Lead and develop talented finance team. Considerable scope for advancement within Group.
- Considerable exposure to Board members and senior executives. Provide advice on tendering, capex, acquisitions and divestments.

QUALIFICATIONS
- Qualified Chartered Accountant; experience in major manufacturing group; strong on controls, comment, analysis and management reporting.
- Enjoyment of, and eye for detail; ability to work to tight deadlines. Used to modern risk management.
- A team player with well-developed leadership skills; high level of technical competence; probably aged mid 30s.

Please send full cv, stating salary, ref LG70322, to NBS, 54 Jermyn Street, London SW1Y 6LX

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Assistant Group Treasurer

TELEWEST COMMUNICATIONS

£50,000 + Bonus & Benefits **Surrey**

Exciting new role with UK market leader. Excellent career prospects for young, ambitious professional.

THE COMPANY
- One of UK's largest cable operators. £400m turnover, 5000 employees.
- Growing rapidly, access to 4 million homes and 300,000 businesses.
- Provides full range of communications, information and entertainment services.

THE POSITION
- New appointment reporting directly to Group Finance Director. Lead small team.
- Liquidity management, cash and working capital analysis are key areas.
- Responsible for cash and business forecasting, banking, money markets, FX trading and risk analysis.

QUALIFICATIONS
- High-calibre young professional, ambitious to be a Group Treasurer. ACA/ACT preferred.
- Strong cash management, banking and analytical skills essential.
- Inventory, credit and collections experience useful.

Please send full cv, stating salary, ref LG70315, to NBS, 54 Jermyn Street, London SW1Y 6LX

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KPMG

Operations Accountant

- **City**
- **£40,000 + substantial bonus**

This is an excellent opportunity to join the entrepreneurial team of a small but established securities and capital markets operation specialising in emerging market products. The opening of an office in New York and increased trading levels have created the need to appoint an Operations Accountant.

Reporting to the Operations Director, this is a broad role which will involve all aspects of management accounting, compliance, treasury management, SFA and other statutory reporting. Candidates must have the confidence and flexibility to deputise for the Operations Director when required and become involved in a variety of different projects.

Candidates will be qualified accountants with prior exposure to the financial services sector and strong spreadsheet skills. Familiarity with SFA regulations would be a distinct advantage. This is an opportunity to join an enterprising organisation where commitment, enthusiasm and results are rewarded by a substantial bonus scheme.

Interested candidates should apply in writing with full career details including salary, quoting reference 2003 to: Tony Saw, KPMG Selection & Search, 1-2 Dorset Rise, Blackfriars, London EC4Y 8AE.

KPMG Selection & Search

Director of Finance

Kenya **£ Attractive Package + Expatriate Benefits**

Our client is an autonomous subsidiary of a well established UK group. They are benefiting from a substantial investment programme and are exceptionally well positioned to take advantage of significant market opportunities. In order to support these exciting future strategies, they seek to strengthen their management team through the appointment of a high calibre Director of Finance.

THE POSITION
- Full responsibility for financial management and administration supporting the Managing Director and playing a key role in the management team.
- Develop systems and procedures to facilitate control and provide meaningful management information.
- Provide strong financial advice to operational managers and have a major input to the formulation of commercial strategy.
- Lead and develop a team of around 35 staff.

QUALIFICATIONS
- Graduate calibre, likely age 35-45, with a proven track record of success at a senior level.
- Experience gained within an international business environment reporting to UK standards.
- Proven management skills, with the ability to motivate and develop individuals and teams.
- High levels of energy and enthusiasm along with an innovative and positive approach.

Interested candidates should write, enclosing full career and current salary details, to the advising consultant, Stephen Banks, at Questor International Limited, 3 Burlington Gardens, London W1X 1LE. Please quote reference 2072.

QI
QUESTOR INTERNATIONAL
A Michael Page Group PLC Company

Shared Services

The European Challenge

Various European Locations - Attractive Packages

Arthur Andersen is part of Andersen Worldwide, the largest and one of the fastest growing professional services organisations in the world. Our business consulting practice advises some of Europe's leading businesses, helping them to manage change and gain competitive advantage through the exploitation of new business developments.

One such business development is the concept of shared services – consolidating and redesigning selected staff and support functions, which are engaged in low value activities, to deliver the most cost effective and high quality service possible. The approach emphasises meeting internal customer needs over corporate red tape and represents a potential source of advantage to multi-business companies.

To facilitate the continued expansion of the business consulting practice throughout Europe we are looking for a number of talented individuals who have the ability to help our clients and lead the growth of our shared services consultancy practice. The individuals we seek will have varying depths of experience and will join the practice as managers, senior managers or directors. We are a very meritocratic firm where early responsibility is encouraged and opportunities for personal development and progression are excellent.

Business Development and Project Management

You will have driven, or had an influential role in, the setting up and/or management of a European Shared Services Centre, and have a good understanding of the issues involved. Your excellent communication skills and natural presence will enable you to develop close working relationships with the CEOs and CFOs of major European businesses. You will have the ability to contribute to the development of new business; direct or project manage and assure service quality on major projects; and manage, motivate and develop staff. Whilst a background in finance would be useful, we are more interested in your understanding of commercial issues and your entrepreneurial flair.

Information Technology

You will have in-depth experience of implementing pan European information systems and integrating cross functional requirements. Ideally, you will have implemented or used one of the software packages most commonly utilised in shared services environments, such as SAP and Oracle. In addition, you will be able to demonstrate excellent problem solving, communication and team skills and a record of achievement in an international, blue-chip environment.

These are unique opportunities which offer enormous challenges and rewards to ambitious professionals with the necessary skills and potential. Remuneration will reflect these qualities and packages will probably fall within the range £50,000 – £150,000.

Please apply with a comprehensive curriculum vitae and salary details, quoting ref 1806, to Richard Holland (+ 44 (0)171 304 1648) at **Arthur Andersen**, 20 Old Bailey, London EC4M 7BH or fax your details on +44 (0)171 489 6296.

ARTHUR ANDERSEN

RISK BASED AUDIT

City **£Exceptional Packages**

Our client is the European investment banking arm of a major international bank, with assets in excess of £200 billion. The bank has been successfully trading a growing portfolio of instruments including structured debt, FX and equity based derivative products and has developed a reputation as a key advisor on cutting - edge risk methodologies to blue chip institutions and corporate clients.

The growing complexity of trading activities has created a need for two risk control/audit specialists to assist with monitoring of controls, systems and procedures.

Suitable candidates will be graduates possessing a minimum of two years audit/banking or similar risk control experience. Candidates must be self confident and have the ability to communicate effectively, both verbally and in writing. They must display an innovative approach to and understanding of risk management; and the provision of audit coverage in a rapidly changing market. Knowledge of derivative products and capital markets is desirable, although the positions offer an ideal opportunity to gain exposure to the full range of risk management products and techniques.

Interested applicants contact Paul Marsden or Henry Behforooz on tel 0171 353 7533 fax 0171 353 7703.

Alternatively write with CV and current remuneration details to *astbury marsden* SEARCH AND SELECTION Hamilton House, 1 Temple Avenue, London EC4Y 0HA, England.

International Accountancy Opportunities - Reading

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CSL
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CSL Professional Placements are currently recruiting a number of finance professionals to work at the CSL International Accounting Centre in Reading where we provide a full European accounting service to our major client, a subsidiary of the Unilever Group, turning over £400m in Europe.

Swiss Team Finance Manager (German Speaking)

Responsible for managing the Swiss team, your responsibilities will include preparation of financial statements in accordance with Swiss statutory requirements, provision of performance analysis and management information. A qualified accountant with strong management skills, you will have experience of working in Switzerland and the drive and ambition to successfully manage this vital part of the business.

Financial Accountant (German Speaking) Neustadt & Reading

Initially based at the German subsidiary for 9 months, the position will relocate to the UK. The successful applicant should be a qualified accountant, with experience of working in Germany and familiar with German Accounting Practices.

All positions offer excellent salary and relocation packages

If you wish to apply to the above positions, please send your CV and current salary details to Louise Bazille, CSL Professional Placements, Ashton House, Silbury Boulevard, Milton Keynes MK9 2HG. Alternatively you can fax us on 01908 678 941 or E-Mail us on Louise_Bazille@CSL.Touche.Co.Uk.

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http://www.csl-professional-placements.co.uk

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● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

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BERMUDA (REGULATED)(**)

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IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

The Financial Times plans to publish a Survey on

Finance & Investment in Central & Eastern Europe

on Friday, April 11

The survey will be published to coincide with the EBRD conference in London.

For more information, please contact:

Hannah Pursall Tel: +44 171 873 4167

Fax: +44 171 873 4296

or Patricia Surridge Tel: +44 171 873 3426

Fax: +44 171 873 3204

or your usual Financial Times representative

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LUXEMBOURG (REGULATED)(**)

[illegible]

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

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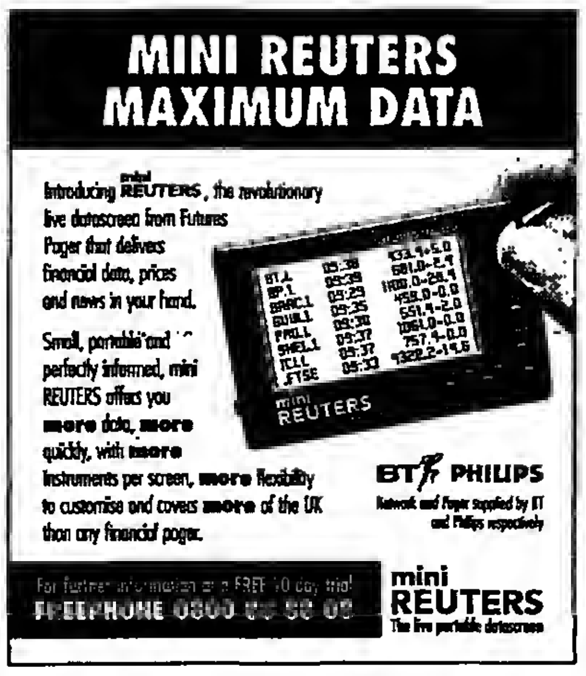

OTHER OFFSHORE FUNDS

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

	Notes	Price	+ or -	52 week high	52 week low	Mkt Cap£m	Yld Gr's	P/E
Allied Domecq	✠	447	-10½	550	407½	4,644	6.6	13.5
Bulmer (HP)	✠†	621½	-2½	656	477	328.2	2.7	18.5
Burn St Dist	✠	84½	-4	131	69½	38.2	6.6	[illegible]
Glenmorangie A	†	1010	-5	[illegible]	615	137.4	7.5	27.5
B	†	1125	—	1140	[illegible]	49.0	0.7	61.2
Grand Met	✠	[illegible]	+1	502½	411	16,394	4.0	16.0
Guinness	✠	501½	+15½	502½	434	9,463	4.1	14.0
Highland	✠	347½	-3	398	320	453.2	3.0	16.7
5½pc Cnv Bds		97½	-¼	101½	94¼	-	-	-
Kirin Y		915	-12	[illegible]	494	5,398	1.2	20.8
Matthew Clark	✠	[illegible]	-35	685	255½	278.2	9.5	15.1
Morland	✠†	96	-7	141	97½	18.3	8.1	12.7
Seagram C$		[illegible]	-8	125½	120¼	[illegible]	1.7	-

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AIM - Cont.

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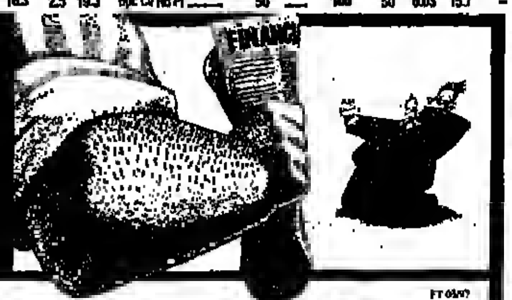
CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£24½	[illegible]	£31¼	£20¼	1,973	3.1	ф
Barlow	♣	£7⅞	[illegible]	£9⅜	£5½	1,438	2.1	14.3
Gold Flds Prop R	†	141½	+1½	171½	120	14.4	6.5	10.2
SA Brews		£18½	+½	£24¼	£13¼	5,721	1.6	ф
Standard Bank		£28¾	+½	£31¼	£21	3,168	1.4	22.8
Tiger Oats		1062	+23	1150	770	1,587	1.8	20.3
Tongaat-Hulett		772½	+1½	1125	676¼	731.1	2.4	ф



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GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service are delivered by Extel, part of Financial Times Information.

Company classifications are based on those used for the FTSE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices over a rolling 52 week period.

Where stocks are denominated in currencies other than sterling, this is indicated after the name. Prices shown for some of these foreign securities are converted into sterling from latest available local Stock Exchange prices.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IIMR 'Headline Earnings' formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or *premiums (Pm -) to the current closing share price. The NAV basis* assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- * Highs and lows marked thus have been adjusted to allow for capital changes.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ф Figures or report awaited
- ♥ Rule 2.1(a)(v) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- †† Rule 4.2(a) Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue
- *♯ Merger bid or reorganisation in progress*
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend. b Figures based on prospectus or other official estimates. g Assumed dividend yield after rights issue. h Assumed dividend yield after scrip issue. n Rights issue pending. q Earnings based on preliminary figures. s Dividend yield excludes a special payment. t Indicated dividend yield, p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings. z Dividend yield includes a special payment.

F Yield based on prospectus or other official estimates for 1996-97. G Assumed yield after pending scrip and/or rights issue. H Yield based on prospectus or other official estimates for 1997. I Yield based on prospectus or other official estimates for 1996. L Estimated annualised yield, p/e based on latest annual earnings. M Yield based on prospectus or other official estimates for 1995-96. N Dividend is paid in whole or part as a

FID (Foreign Income Dividend). R Forecast annualised yield, p/e based on prospectus or other official estimates. W Pro forma figures. Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1425 a year for each security shown, subject to the Editor's discretion

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An international service is available for callers outside the UK, annual subscription £250 stg.
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The share prices printed on these pages are also available on the internet at http://www.FT.com.

LONDON STOCK EXCHANGE

Greenspan warning unhinges UK stocks

MARKET REPORT

By Steve Thompson, UK Stock Market Editor

London stocks remained thoroughly demoralised yesterday, retreating across a broad front as the spectre of rising interest rates here and in the US continued to pressure the market.

Adding to the unease in the City's dealing rooms was talk that two big US securities houses were selling stock at prices below official Seaq quotations.

The FTSE 100 lost its grip on the 4,300 level and the FTSE 250 its hold on the 4,600. The 100 index posted its fourth straight decline, closing 74.1 lower at 4,258.1 – a fall of 166.2 or 3.7 per cent over the four days.

The FTSE 250, registering its seventh consecutive decline, gave up 87.7 to 4,565.2. The SmallCap's slide gathered momentum as well, finishing 21.6 down at 2,321.5, a decline of 1.8 per cent over the past four sessions.

The market's latest slide came in the wake of another warning from Mr Alan Greenspan, chairman of the US Federal Reserve, that he would take pre-emptive actiion to head off inflationary trends. His words were taken by traders across the globe as a signal that the Fed will move to lift US interest rates after next Tuesday's meeting of its Open Market Committee.

Already weak ahead of the Greenspan speech to Congress's joint economic committee, share prices suddenly gave way as the warning flashed across global wire services.

Marketmakers said the big institutions were given no opportunity to unload stock. "We hit prices instantly, to head off the big sellers," said one. He said London and other European markets had over-reacted to Wall Street's initial bout of weakness, which saw the Dow down over 80 points, before embarking on a strong rally. US Treasury bonds were sold off too, with the yield on the long bond climbing above the crucial 7 per cent level for the first time since September.

There was speculation in London that the Fed might go for a 50 basis-point increase in interest rates, a move which would certainly cause more pain on Wall Street.

Earlier in the day the market absorbed lower than expected inflation figures for February.

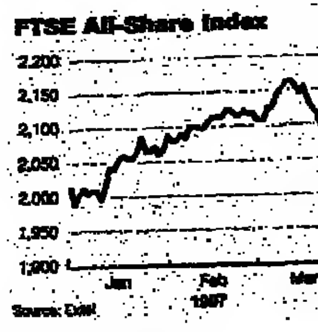
But the good news on inflation was offset somewhat by a mnch higher than anticipated increase in M4 money supply.

The money supply numbers, coming hard on the heels of the much stronger than expected average earnings, employment retail sales numbers announced on Wednesday, increased the pressure for a rise in UK rates.

Strategists warned that global markets could be in for a torrid time in the short term. Mr Richard Jeffrey, group economist at Charterhouse Tilney, said: "There is a lot of anxiety around. Action on interest rates is needed; more so in the UK than the US; the longer the delay the more aggressive the rate rise will be."

Dealers are bracing themselves for a hot time in the market this morning when the Footsie futures expire, along with index options.

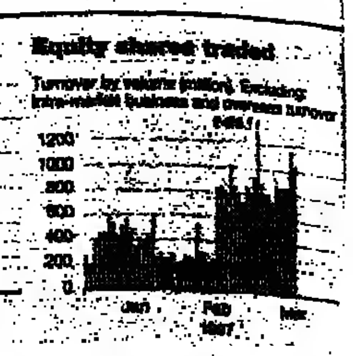
FTSE All-Share index



Source: Datastream

Equity shares traded

Turnover by volume (million). Excluding intra-market business and overseas turnover



Indices and ratios

FTSE 100	4258.1	-74.1	FT 30	2833.4	-35.[illegible]
FTSE 250	4565.2	-87.7	FTSE Non-Fins p/e	18.20	18.4[illegible]
FTSE 350	2105.7	-37.4	FTSE 100 Fut Mar	4260.0	-71.[illegible]
FTSE All-Share	2079.85	-35.55	10 yr Gilt yield	7.68	7.6[illegible]
FTSE All-Share yield	3.66	3.60	Long gilt/equity yld ratio	2.13	2.1[illegible]

Best performing sectors

1 Retailers: Food .... +1.1
2 Alcoholic Beverages .... +0.7
3 Household Goods .... +0.0
4 Food Producers .... -0.7
5 Oil: Integrated .... -0.7

Worst performing sectors

1 Life Assurance .... -3.[illegible]
2 Tobacco .... -3.[illegible]
3 Banks: Retail .... -3.[illegible]
4 Insurance .... -3.[illegible]
5 Other Financial .... -2.[illegible]

HSBC loses top spot

HSBC, one of the the world's biggest banks, yesterday lost by a whisker its place as the UK's most highly valued quoted company to Glaxo Wellcome, the global drugs group.

And while the news will be quietly enjoyed by Glaxo, where a straw poll suggested it had not occupied the top slot since 1992, it could also be symptomatic of a wider change in the market.

Glaxo is the classic defensive play as everyone needs medicine whatever the state of the economy.

Bot when inflation, interest rates and bond yields start to rise, banks are among the first to suffer.

By the close yesterday, HSBC ordinary and Hong Kong registered stock had both slipped 39½ to £14.75p and £14.21½p respectively under the additional weight of a 1.4 per cent drop in the Hong Kong market. The fall took the combined market capitalisation down to £38.306bn.

On the other hand, internationally-traded Glaxo remained remarkably resilient to weakness in US and UK market moves.

The shares, buoyed by exuberant company growth projections and a trickle of good news recently, dipped only 12 to £10.80p, leaving the company with a market cap of £38.318bn.

Financial stocks led the market lower as the inflationary coocerns that are poisoning sentiment received added venom from Lehman Brothers.

Mr John Roqne, the US broker's New York-based technical analyst, highlighted the UK banking sector as ripe for a fall.

Mr Roque pointed out that that the yield on 10-year UK government bonds had risen 60 basis points over the past month. And he said gilt-sensitive banking stocks could fall a further 5 per cent regardless of moves by the Bank of England or US Federal Reserve.

Mortgage players suffered particularly badly. Lloyds TSB slid 22½ to 476½p and Abbey National 14 to 718½p. Meanwhile Barclays, which announced it had completed its 26m share buy-back, fell 44 to £10.32½p.

Insurers fell for similar inflatiooary reasons and received additional pressure from SBC Warburg. The broker reiterated "reduce" recommendations on Guardian Royal Exchange and Commercial Union. GRE fell 15½ to 277½p and CU 37 to 641p.

In the third market-exposed sector – fund managers – M&G fell 92 to £13.45p and Mercury Asset Management 51 to £12.82½p. Ivory & Sime, further burdened by the loss of the BAA pension fund, slumped more than 8 per cent to close 21 down at 230½p.

Guinness rose 15½ to 501½ – the top performer in the FTSE 100 – following full year results which comfortably outstripped analysts' forecasts. Interest charges were substantially lower after a re-scheduling of debt.

The positive reception by the market was boosted by hopes of an imminent share bny-back.

But one analyst qnestioned why Guinness would buy in the market when LVMH, which owns 14 per cent of Guinness, might be prepared to sell more stock at a slight discount to the market.

Mr Alan Gray, drinks analyst at Sutherlands, the Edinburgh-based broker, said there were a number of encouraging signs, including a marginal increase in profits at United Distillers after a few difficult years.

He said prices for spirits had strengthened and there was some optimism that this would continue, although Continental Europe was still a difficult area for price rises.

Many analysts increased their estimates for 1997, with most having already taken into account the impact of sterling's strength. Guinness itself said that if currency rates continned at current levels, the group would face a £60m hit in 1997.

Allied Domecq eased 10½ to 447p, with some analysts speculating there might have been some switching from Allied into Guinness in which there were 20m shares traded.

Consumer stocks accounted for 10 of the top 15 performers in the FTSE 100 stocks, including four food retailers.

Profits from William Morrison Snpermarkets were better than expected. Dresdner Kleinwort Benson changed its recommendation for Tesco from "take profits" to "hold" and AGB market share figures for February all helped to renew interest in the sector.

William Morrison, which rose 2½ to 149½p, showed a strong gross margin performance, with some analysts claiming this could be a feature of the sector, although others disagreed. There were a number of upgrades in forecasts by brokers for the supermarket group.

Tesco hardened 5 to 339p after Dresdner Kleinwort Benson upgraded the stock on valuation grounds, with the supermarket group on a substantial discount to the market.

AGB figures for February suggested that Tesco, Asda and Safeway were performing well although J. Sainsbury, which hardened one penny to 329½p, may have lost market share. Asda strengthened 1¼ to 108¼p and Safeway rose 7½ to 353p.

British Building and Engineering Appliances lifted 9 to 64½p as the company received an approach which might lead to an offer for the company.

P&O tumbled 18 to 630p after Nedlloyd, its Dutch cootainer shipping partner, announced a 54 per cent slide in net profit.

Stagecoach tumbled for a second day, hitting a three-month low amid further worries abont a regulatory squeeze on its rail operations. The shares closed 17½ off at 671½p.

Siebe were up 27½ at £10.42p against the market on reports that BZW and Kleinwort Benson had made positive comments about the engineering group.

BLP, the veneers gronp, was bncked by a recommendation following the preliminary figures. House broker Butterfield raised its current year profit forecast to £2m.

The shares leapt 39 to 145p.

A clutch on new issues came to the market yesterday as companies grabbed their chance to float before the general election.

Donantonio, placed at 70p, closed at 71½p; KBC Advanced Technologies, placed at 195p, closed at 247½p; and London Bridge Software, placed at 200p, closed at 261½p.

Aim stock Total Offices Group, placed at 145p, ended the day at 152½p.

Bookshop.Co.UK, the UK's largest Internet bookseller, made a sparkling debut on the OFEX market, closing the session at 200p. The shares were placed at 100p by Shaw & Co, stockbroker to the issue.

FT 30 INDEX

	Mar 20	Mar 19	Mar 18	Mar 17	Mar 14	Yr ago	*High	*Low
FT 30	2833.4	2868.7	2881.2	2897.0	2930.2	2769.3	2931.4	2668.8
Ord. div. yield	3.99	3.94	3.92	3.90	3.85	3.92	4.22	3.76
P/E ratio net	17.43	17.64	17.73	17.83	18.07	16.39	18.09	15.80
P/E ratio nil	17.22	17.42	17.51	17.81	17.85	18.07	17.87	15.71

FT 30 since compilation: high 2931.4 10/03/97; low 49.4 26/06/40. Base Date: 1/7/35.

FT 30 hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2867.8	2859.1	2857.7	2860.6	2855.6	2853.4	2851.7	2850.5	2834.0	2867.8	2828.1

	Mar 20	Mar 19	Mar 18	Mar 17	Mar 14	Yr ago
SEAQ bargains	62,270	59,809	59,560	57,730	54,977	39,543
Equity turnover (£m)†	–	NA	2797.9	2797.9	2768.1	2070.8
Equity bargains†	–	NA	51,799	51,799	51,211	46,346
Shares traded (m)†	–	NA	1053.8	1053.8	1162.8	724.6

†Excluding intra-market and overseas turnover but including Crest turnover.

	Mar 20	Mar 19	Mar 18	Mar 17	Mar 14	Yr ago	*High	*Low
FTSE AIM	1109.1	1114.3	1123.8	1127.8	1127.5	992.3	1140.4	985.7

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London market data

Rises and falls*		52 Week highs and lows		LIFFE Equity options	
Total Rises	265	Total Highs	52	Total contracts	68,596
Total Falls	1,351	Total Lows	98	Calls	25,054
Same	807			Puts	43,542

Mar 20 *Data based on Equity shares listed on the London Share Service.

Fully covered.

On Monday, March 24 the Financial Times will publish a survey on the insurance industry.

It will analyse how cost cutting measures, in particular recent international mergers, may lead to a reduction in premiums. It will also take a look at the future for Lloyds and the London market, the effect of de-regulation in continental Europe and the eastward drive into the emerging markets. So for a fully comprehensive analysis of the insurance market, get the FT next Monday.

Financial Times. World Business Newspaper.

FUTURES AND OPTIONS

FTSE 100 INDEX FUTURES (LIFFE) £25 per full index point (AP[illegible])

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	4327.0	4260.0	-71.0	4327.0	4245.0	25562	25164
Jun	4347.0	4277.0	-75.0	4347.0	4256.0	23570	51761
Sep	4350.5	4301.5	-75.0	4350.5	4345.5	70	2445

FTSE 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	4620.0	4590.0	-80.0	4620.0	4620.0	661	2269
Jun	4649.0	4619.0	-76.0	4649.0	4649.0	661	4620

FTSE 100 INDEX OPTION (LIFFE) (*4263) £10 per full index point

	4100 C	4100 P	4150 C	4150 P	4200 C	4200 P	4250 C	4250 P	4300 C	4300 P	4350 C	4350 P	4400 C	4400 P	4450 C	4450 P
Mar	163	1	113	1	63	2	21	10½	1½	42½	1	92	1	142	1	19[illegible]
Apr	190	21½	140	31½	103	42½	72	62½	46	87	25	117	12½	155	6	19[illegible]
May	215	49½	177½	59½	143	74½	111½	92½	83½	114½	[illegible]	142	42	174½	26½	21[illegible]
Jun	265	69½	207½	81½	176	99	144	118	119½	139	97	165½	80½	193	61	227
Dec†	358	130½			282½	163			233½	204½			183½	252½		

Calls 4,664 Puts 17,774

EURO STYLE FTSE 100 INDEX OPTION (LIFFE) £10 per full index point

	4075 C	4075 P	4125 C	4125 P	4175 C	4175 P	4225 C	4225 P	4275 C	4275 P	4325 C	4325 P	4375 C	4375 P	4425 C	4425 P
Mar	185	1	135	1	85½	1	38½	3½	8	21	1	65	1	115	1	16[illegible]
Apr	208½	17½	169	25½	128	35½	86	52½	57	73	34	99½	18½	133½	6	172
May	238½	43½	197½	54	161½	67½	128½	84	98½	103½	73	127½	52	158	35½	18[illegible]
Jun	261	62	224	74½	189½	89	157	105	127½	125½	101½	148½	78½	175	59	20[illegible]
Sept†			281	109½			217½	143			169½	181½			112	23[illegible]

Calls 7,605 Puts 19,625 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1996/97 High	1996/97 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
§125	F.P.	20.7	148½	120½	†Antech	120½		-	-	-	-
§100	F.P.	25.0	100	100	Aurora Inv Trust	100		-	-	-	-
§50	F.P.	22.8	64	45½	†Birmingham City	45½	-1	-	-	-	-
*	F.P.	3.04	17½	13¼	†Cambridge Mineral	14		-	-	-	-
75½	F.P.	2,511	77½	55	Centrica	56¾	-2	-	-	-	-
§250	F.P.	87.5	335	292½	Core Group	301		-	-	-	-
§200	F.P.	12.2	270	240	†Dobbies Garden	260		L4.5	2.2	2.2	18.4
§-	F.P.	10.8	71½	71½	Donatantonio	71½		L2.25	1.7	3.9	13.1
525	F.P.	2,430	570½	465½	Energy Group	468½	-17	W21.0	2.5	5.6	-9.0
§160	F.P.	24.5	188½	176½	Girovend Cah Sys	188½		-	-	-	-
§28	F.P.	6.00	31½	28½	Howle	31		-	-	-	1.6
§195	F.P.	113.3	247½	243	KBC Advanced Tc	247½		L3.29	2.5	1.7	27.4
§200	F.P.	61.5	278½	258	London Bridge Sw	261½		-	-	-	31.6
§	F.P.	13.8	68½	68½	M & G High Inc	68½		W5.2	-	9.5	-
§	F.P.	1.82	10	9	M & G High Cap	9		-	-	-	-
§	F.P.	20.6	102	98½	M & G High Pckg	102	42	W5.2	-	6.4	-
§	F.P.	16.2	80	77½	M & G High Unit	80	+1½	W5.2	-	8.1	-
§140	F.P.	18.5	171	142½	Nord Anglo Ed	143½	-6	W3.92	1.8	3.4	15.2
§	F.P.	63.5	282½	220	Ped Group	282½	-1	5.43	2.4	2.8	20.5
§100	F.P.	29.9	100	99	River&Merc 1st UK	99½	-½	-	-	-	-
§	F.P.	10.8	6	3¾	†Screen	5½		-	-	-	22.7
§	F.P.	24.6	128½	95½	Techmoplast	97½	-13	-	-	-	-
§145	F.P.	24.5	152½	150½	†Total Office Grp	152½		L4.8	2.6	3.9	9.8
§110	F.P.	119.1	124½	119½	Usher Trowbridge	120½		W3.6	3.0	3.6	11.8
§40	F.P.	5.63	43½	40½	†VFG	41½		-	-	-	26.2

† Alternative Investment Market. § Placing price. * Introduction. For a full explanation of all other symbols please refer to The London Share Service notes.

FT GOLD MINES INDEX

	Mar 19	% chg on day	Mar 18	Year ago	Gross div yield %	P/E ratio	52 week High	52 week Low
Gold Mines Index (32)	1769.28	-0.3	1774.63	2237.28	1.91	-	2405.53	1674.61
Regional Indices								
Africa (14)	2055.49	0.0	2055.87	3060.68	4.37	30.67	3252.18	1918.45
Australasia (6)	1972.44	-1.5	2002.81	2985.45	2.73	21.34	2844.14	1941.72
North America (12)	1645.89	-0.2	1649.38	1950.47	0.81	62.97	2134.81	1550.58

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FTSE Actuaries Share Indices — The UK Series

Produced in conjunction with the Faculty and Institute of Actuaries

	Mar 20	Day's chge%	Mar 19	Mar 18	Mar 17	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
FTSE 100	4258.1	-1.7	4332.2	4356.8	4373.3	3698.3	3.79	2.10	15.69	44.08	1799.50
FTSE 250	4565.2	-1.8	4652.9	4661.5	4692.0	4297.4	3.48	1.48	24.25	18.78	1879.23
FTSE 250 ex IT	4602.1	-2.0	4693.6	4701.8	4734.9	4330.4	3.57	1.50	23.27	20.25	1899.11
FTSE 350	2105.7	-1.7	2143.1	2153.6	2163.0	1860.5	3.73	1.98	16.96	18.12	1815.85
FTSE 350 Higher Yield	2031.6	-1.8	2068.4	2076.2	2086.8	1817.6	4.85	1.86	13.87	22.00	1480.59
FTSE 350 Lower Yield	2186.4	-1.7	2224.4	2237.7	2245.9	1911.0	2.60	2.20	21.81	16.03	1546.93
FTSE SmallCap	2321.50	-0.9	2343.10	2352.40	2365.18	2083.56	2.95	1.64	25.75	10.10	1948.05
FTSE SmallCap ex IT	2327.62	-0.9	2349.87	2359.63	2373.86	2070.52	3.12	1.72	23.33	10.28	1967.60
FTSE All-Share	2079.85	-1.7	2115.40	2125.56	2135.02	1839.60	3.66	1.96	17.43	18.10	1820.10

FTSE Actuaries Industry Sectors

	Mar 20	Day's chge%	Mar 19	Mar 18	Mar 17	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(20)	4097.48	-0.8	4136.00	4147.71	4121.66	3336.61	3.64	2.14	16.09	25.93	1807.53
12 Extractive Industries(5)	4005.00	-1.9	4082.22	4124.20	4123.62	4229.37	3.90	2.38	13.42	66.65	1218.71
15 Oil, Integrated(3)	4212.30	-0.7	4240.33	4257.36	4225.62	3366.62	3.86	2.10	15.40	20.17	1906.39
18 Oil Exploration & Prod(12)	3648.62	-1.9	3720.94	3663.34	3646.52	2396.02	1.57	2.20	36.16	2.67	2213.68
20 GEN INDUSTRIALS(272)	2006.49	-1.3	2033.64	2037.05	2049.65	2100.32	3.95	1.89	16.77	12.51	1129.57
21 Building & Construction(35)	1357.34	-1.2	1374.48	1377.27	1374.59	1128.39	3.06	1.83	22.36	5.05	1163.35
22 Building Matls & Merchs(32)	1883.81	-1.4	1911.26	1910.88	1915.80	1872.88	4.23	2.58	11.47	1.15	974.15
23 Chemicals(26)	2302.92	-0.8	2320.67	2319.25	2339.03	2575.86	4.55	1.56	17.60	28.01	1131.40
24 Diversified Industrials(16)	1500.65	-2.2	1533.87	1538.41	1551.57	1795.18	4.79	1.81	14.40	25.57	682.42
25 Electronic & Elect Equip(39)	2207.73	-1.9	2251.48	2272.29	2288.92	2380.44	3.55	1.52	23.07	2.20	1173.64
26 Engineering(70)	2600.75	-0.9	2623.31	2624.52	2637.26	2413.38	3.24	2.42	15.95	8.56	1615.14
27 Engineering, Vehicles(13)	2850.22	-0.8	2873.63	2880.02	2897.01	2877.43	3.89	0.18	80.00†	25.91	1518.72
28 Paper, Pckg & Printing(27)	2509.84	-1.8	2550.91	2544.82	2582.12	2759.18	4.18	1.90	15.73	12.89	1075.96
29 Textiles & Apparel(14)	1080.61	-1.0	1091.93	1090.10	1100.53	1489.92	6.53	0.96	20.03	2.25	665.09
30 CONSUMER GOODS(84)	4106.83	-1.2	4155.24	4179.07	4189.85	3489.30	3.68	1.88	18.01	56.58	1574.38
32 Alcoholic Beverages(7)	2922.75	+0.7	2901.30	2890.75	2903.13	2789.92	4.49	1.39	14.73	31.28	1094.80
33 Food Producers(25)	2872.85	-0.7	2891.67	2898.38	2910.44	2568.95	3.84	1.92	17.01	18.00	1337.96
34 Household Goods(17)	2963.62	----	2962.60	2953.86	2946.00	2601.06	3.46	2.31	15.65	3.48	1205.64
36 Health Care(15)	2146.54	-1.6	2181.86	2180.75	2200.40	1936.41	2.75	1.78	25.45	4.71	1329.05
37 Pharmaceuticals(18)	6401.86	-1.5	6499.26	6556.59	6570.79	4900.31	2.87	1.86	23.45	94.65	2243.97
38 Tobacco(2)	4130.44	-3.4	4277.49	4351.28	4345.16	4160.38	6.56	1.85	10.32	147.58	1099.47
40 SERVICES(273)	2613.04	-1.2	2645.92	2654.49	2678.54	2373.48	2.95	1.96	21.65	12.24	1392.10
41 Distributors(30)	2709.20	-1.2	2742.66	2743.21	2772.83	2626.10	3.17	1.93	20.42	7.64	1021.33
42 Leisure & Hotels(31)	3456.70	-1.2	3500.26	3531.65	3578.74	2973.17	2.63	1.72	27.70	35.41	1900.02
43 Media(44)	4229.54	-1.8	4310.68	4346.18	4379.12	3932.27	2.82	1.97	27.32	26.70	1558.76
44 Retailers, Food(15)	1956.56	+1.1	1935.29	1925.24	1935.99	1905.82	4.05	2.28	13.49	4.45	1276.76
45 Retailers, General(55)	2032.80	-0.8	2050.14	2033.42	2054.32	1963.18	3.26	2.09	18.89	7.15	1191.58
47 Breweries, Pubs & Rest.(22)	3293.02	-1.7	3349.19	3382.29	3434.24	2972.46	3.30	2.10	18.03	17.09	1624.42
48 Support Services(56)	2898.36	-1.8	2952.04	2972.65	2986.91	2141.72	1.82	2.58	26.82	3.87	1872.28
49 Transport(22)	2774.16	-1.8	2823.62	2842.07	2867.50	2402.96	3.50	1.28	27.88	11.00	1190.42
60 UTILITIES(31)	2682.75	-2.1	2739.80	2728.82	2727.59	2445.47	4.89	1.50	16.74	5.34	1219.22
62 Electricity(10)	2782.04	-1.8	2834.56	2865.82	2881.38	2728.93	6.09	2.20	9.33	22.08	1536.64
64 Gas Distribution(2)	1495.56	-2.6	1535.93	1572.94	1544.34	1543.09	6.16	‡	‡	0.00	818.33
66 Telecommunications(8)	2320.80	-1.9	2365.48	2318.69	2309.59	2001.22	3.60	1.56	22.20	0.38	1095.80
68 Water(11)	2421.16	-2.9	2492.70	2524.50	2551.64	2180.70	6.15	2.34	8.70	0.00	1400.32
69 NON-FINANCIALS(680)	2147.29	-1.3	2176.02	2191.30	2189.50	1958.65	3.69	1.86	18.20	14.77	1695.20
70 FINANCIALS(106)	3709.73	-3.2	3831.81	3886.38	3915.58	2834.16	3.83	2.40	13.61	62.38	1663.56
71 Banks, Retail(8)	5342.53	-3.4	5527.80	5624.83	5661.61	3933.39	3.74	2.65	12.61	122.52	1826.77
73 Insurance(18)	1632.26	-3.0	1682.14	1704.29	1729.98	1391.40	5.28	2.31	10.27	36.91	1291.77
74 Life Assurance(7)	4453.32	-3.7	4624.38	4698.66	4735.02	3548.03	3.83	2.08	16.06	0.00	1893.39
77 Other Financial(29)	3160.07	-2.9	3253.66	3278.60	3296.65	2513.99	3.10	2.44	16.52	15.67	1866.24
79 Property(44)	1654.39	-2.1	1689.41	1697.21	1905.41	1456.30	3.43	1.32	27.67	3.69	1174.36
80 INVESTMENT TRUSTS(127)	3309.93	-1.0	3344.29	3353.62	3359.93	3103.22	2.20	1.11	91.22	11.05	1176.35
89 FTSE All-Share(913)	2079.85	-1.7	2115.40	2126.56	2135.02	1839.60	3.66	1.96	17.43	18.10	1820.10
FTSE Fledgling	1309.73	-1.2	1325.40	1330.62	1339.56	1167.39	3.02	0.78	54.14	6.20	1400.09
FTSE Fledgling ex IT	1327.10	-1.3	1344.67	1350.26	1361.01	1172.23	3.30	0.73	51.81	6.38	1420.83

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FTSE 100	4323.1	4306.2	4302.5	4308.5	4300.1	4295.5	4291.8	4288.4	4282.9	4323.1	4251.6
FTSE 250	4649.8	4639.2	4621.0	4614.6	4609.7	4605.6	4603.1	4602.2	4584.5	4649.8	4584.4
FTSE 350	2139.3	2131.7	2128.4	2130.2	2126.4	2124.2	2122.5	2121.1	2107.6	2139.3	2103.4

Time of FTSE 100 Day's high: 8:30 AM Day's low: 3:45 PM. FTSE 100 1996/97 High: 4444.3 (11/03/97) Low: 3632.3 (16/07/96).

FTSE 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	1298.1	1295.2	1293.0	1291.5	1290.3	1289.2	1288.7	1286.2	1276.1	1276.1	1302.3	-26.2
Pharmaceuticls	6383.1	6387.8	6381.3	6381.3	6368.1	6368.6	6372.8	6358.1	6332.8	6321.0	6417.8	-96.8
Water	2482.2	2456.1	2452.5	2458.5	2446.3	2441.2	2440.5	2440.6	2412.0	2412.5	2485.6	-73.1
Banks, Retail	5562.1	5519.2	5467.5	5471.9	5455.8	5443.8	5451.4	5453.8	5417.7	5410.7	5598.4	-187.7

For further information on the FTSE Actuaries Share Indices please contact FTSE International on 0171 448 1810. The FTSE Actuaries Share Indices are calculated in accordance with a standard set of ground rules established by FTSE International in conjunction with the Faculty of Actuaries and the Institute of Actuaries. © FTSE International Limited 1997. All Rights reserved. "FT-SE" and "Footsie" are trade marks of the London Stock Exchange and The Financial Times and are used by FTSE International under licence. † Sector P/E ratios greater than 80 and net covers greater than 30 are not shown. ‡ Values are negative.

FTSE INTERNATIONAL

TRADING VOLUM[E]

Major Stocks Yesterd[ay]

	Vol. 000s	Closing price
3i†	2,200	505
ASDA Group†	14,500	108½
Abbey National†	4,600	718½
Airtours	882	950
Albert Fisher	1,600	43
Allied Domecq†	3,000	447
Anglian Water	633	638
Argos†	1,700	630
Arjo Wiggins	864	188¼
Assoc. Brit. Foods†	584	511½
Assoc. Brit. Ports	796	269½
BAA†	3,000	508
BAT Inds.†	12,200	489
BBA	2,400	353½
BICC	560	286½
BOC†	376	969½
BG†	12,400	189½
BP†	8,300	705½
BPB	624	339
BSkyB†	4,000	611½
BT†	21,200	458½
BTR†	10,600	258
Bank of Scotland†	7,000	315½
Barclays†	7,200	1032½
Bass†	1,500	807½
Blue Circle†	3,300	412½
Booker	102	390
Boots†	2,800	686½
Britannic	1,400	876½
Brit. Aerospace†	1,900	1327½
British Airways†	2,200	634
British Biotech	2,300	243½
British Energy	4,600	133
British Land	2,500	531½
British Steel†	12,800	159¼
Burmah Castrol†	2,100	999½
Burton†	6,200	154¼
Cable & Wire†	6,200	488
Cadbury Schweppes†	5,600	534
Caradon	2,700	256½
Carlton Comms.†	664	510
Centrica†	21,900	56¾
Chubb	423	434
Coats Viyella	4,200	134½
Comm. Union†	2,800	641
Compass	1,000	678
Cookson	1,800	235½
Courtaulds	2,800	361½
Dalgety	647	323
De La Rue	726	555
Dixons†	2,100	508½
EMAP	1,100	752½
EMI†	2,000	1121
Electrocomps	1,800	417½
Energy Group†	2,900	468½
Enterprise Oil†	1,000	651
FKI	1,000	185½
Foreign & Col. I.T.	3,500	159¼
Gen. Accident†	1,400	789
General Elect.†	4,400	378
Glaxo Wellcome†	5,900	1080
Glynwed	678	298½
Granada†	2,400	917½
Grand Met.†	10,100	494½
GUS†	2,500	641
Greenalls	2,400	514
GRE†	3,800	277½
GKN†	1,600	985½
Guinness†	20,800	501½
HSBC (75p shs)†	4,700	1475
Hammerson	380	432½
Hanson†	5,900	302½
Harrisons Crosfield	5,000	128½
Hays†	2,800	540½
Hillsdown	1,400	184
Hyder	537	798
IMI	741	384½
ICI†	2,700	713
Imperial Tobacco†	3,000	421½
Inchcape	3,500	242½
Johnson Matthey	354	535
Kingfisher†	4,600	690
Kwik Save	66	265
Ladbroke†	3,200	220½
Land Securities†	2,800	768
Laporte	598	711½
Legal & General†	3,500	386½
Lloyds TSB†	18,500	476½
LASMO†	622	248
Lonrho	3,800	147¼
LucasVarity†	10,700	199
MEPC	2,200	470½
MFI	434	142½
Marks & Spencer†	7,600	489½
Mercury Asset Mgt†	1,100	1282½
Morrison (Wm.)	4,100	149½
NFC	2,700	164
NatWest Bank†	7,800	698½

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Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

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PACIFIC

AFRICA

NORTH AMERICA

INDICES

US INDICES

Dow Jones	Mar 19	Mar 18	Mar 17	1996/97 High	1996/97 Low	Since compilation High	Since compilation Low
Industrials	6877.80	6896.56	6955.48	7085.16 (11/3/97)	5032.94 (10/1/96)	7085.10 (11/3/97)	41.22 (8/7/32)
Home Bonds	102.84	102.84	102.80	106.89 (14/2/96)	106.89 (15/7/96)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	2418.42	2469.59	2448.63	2469.59 (18/3/97)	1882.71 (18/1/96)	2469.59 (18/3/97)	13.23 (8/7/32)
Utilities	221.42	221.50	224.71	240.86 (22/1/97)	204.86 (30/7/96)	256.46 (31/8/93)	10.53 (8/7/32)

DJ Ind. Day's high 6944.15(6997.40) Low 6794.22(6841.05) (Theoretical‡) Day's high 6913.94(6970.59) Low 6828.32(6854.64) (Actual‡)

Standard and Poors	Mar 19	Mar 18	Mar 17	1996/97 High	1996/97 Low	Since compilation High	Since compilation Low
Composite‡	785.77	789.66	795.71	816.29 (18/2/97)	598.48 (10/1/96)	816.29 (18/2/97)	4.40 (1/6/32)
Industrials♥	918.52	924.11	930.25	950.96 (18/2/97)	702.07 (15/1/96)	950.96 (18/2/97)	3.52 (30/6/32)
Financial	90.80	90.65	91.94	97.25 (10/3/97)	58.67 (10/1/96)	97.25 (10/3/97)	7.13 (4/8/74)
NYSE Comp.	413.59	415.40	416.37	427.70 (10/3/97)	321.41 (10/1/96)	427.70 (10/3/97)	4.64 (25/4/42)
Amex Comp.	591.79	595.45	596.24	617.81 (22/5/96)	524.20 (16/7/96)	617.81 (22/5/96)	524.20 (16/7/96)
NASDAQ Cmp	1249.29	1269.34	1279.43	1388.06 (22/1/97)	988.57 (15/1/96)	1388.06 (22/1/97)	54.87 (3/10/74)

■ RATIOS

	Mar 14	Mar 7	Feb 28	Year ago
Dow Jones Ind. Div. Yield	1.85	1.93	1.96	2.15
	Mar 19	Mar 12	Mar 5	Year ago
S & P Ind. Div. yield	1.78	1.74	1.77	1.87
S & P Ind. P/E ratio	22.38	22.81	22.55	21.26

■ NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
Micron Tech	11,886,300	38¼	-1½
Wal-Mart	9,594,100	29⅝	+¼
Glaxo	8,144,800	34⅝	-⅛
Adv Micro	7,754,500	38⅝	-2¼
Tel de Mex	5,301,700	41⅛	+1⅛
Compaq	4,894,500	72	-2⅝
Pepsico	4,532,600	32	+⅜
Texas Inst	4,292,300	75⅝	-4⅛
Seagate Tec	4,111,000	40⅝	-2⅛
IBM	4,109,900	138	-1⅝

■ TRADING ACTIVITY

● Volume (million)

	Mar 19	Mar 18	Mar 17
New York SE	529.236	461.121	486.594
Amex	20.800	10.404	19.613
NASDAQ	719.789	554.288	594.184
NYSE			
Issues Traded	3,325	3,334	3,322
Rises	935	850	848
Falls	1,538	1,655	1,634
Unchanged	852	829	840
New Highs	58	48	52
New Lows	64	56	64

■ S&P 500

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	786.00	783.20	-1.50	786.00	783.20	32,636	58,959
Jun	792.20	790.80	-1.45	793.70	789.00	124,061	160,572

■ Nikkei 225

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	18480.0	18430.0	-	18520.0	18330.0	19,516	241,325
Sep	-	18210.0	-	-	-	-	2,701

Open interest figures for previous day.

GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. Day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; ... highs and lows represent the highest and lowest values that the index has reached during the day. ♥ Subject to official recalculation.

INDEX FUTURES

■ TOKYO - MOST ACTIVE STOCKS: Wednesday, March 19, 1997.

	Stocks Traded	Closing Prices	Change on day
Nippon Credit Bk	14.5m	280	+14
Nippon Steel	8.3m	336	+3
Sakura Bank	7.3m	765	+12
Shiseido	6.7m	1,570	+30
Sanwa Bank	6.3m	1,360	
Fuji Bank	5.9m	1,520	+40
Seven-Eleven Jpn	5.5m	7,280	-70
North Pac Bank	5.0m	609	
Daiichi Kangyo Bk	4.7m	1,400	+40
Kawasaki Steel	4.7m	343	-5

Prices supplied by Extel, part of FT information.

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. * Calendar year high and low. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. 1 Priced in US $.

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4 pm close March 20

NEW YORK STOCK EXCHANGE PRICES

1996/97 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close

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FT FINANCIAL TIMES

Continued on next page

4 pm close March 20

NYSE PRICES

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chg Prev. Close

Continued from previous page

[illegible]

57	42½	York Int x	0.42	1.1	12	3683	43⅛	42⅝	42⅝
5	3	Zapata				78	4¾	4⅝	4⅝
25¾	5⅞	ZenithEl				3981	11¼	10⅝	10⅝
28⅝	21⅛	Zenith Nat	1.00	3.7	12	206	27	26⅞	27
7½	6½	Zweig Inc x	0.13	10.1		289	7⅜	7¼	7¼
23¾	15⅜	Zero	0.12	0.6	15	139	20¼	19⅞	19⅞
11⅞	10½	ZweigFd♣	1.16	10.3		227	11¼	11⅛	11¼
9	0	Zweig Tot x	0.84	9.9		788	8⅝	8½	8½

Price data supplied by Extel, part of FT Information.

Yearly highs and lows for NYSE reflect the period from Jan 1 1996. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

d-new yearly low. P/E price-earnings ratio. ss-sales. u-new yearly high. x-ex-dividend or ex-rights. yld-yield. z-sales in full.
Dealings suspended.

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AMEX PRICES

4 pm close March 20

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng

[illegible]

NASDAQ NATIONAL MARKET

4 pm close March 20

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng

[illegible]

Kimball	1.04	14	373	37¾	37¼	37¾	+⅜
KLA Instr			1815949	38⅛	34⅞	38¼	+2⅞
Koll A			678			0.10	
Komag♣		13	4406	29¾	28½	28⅞	-⅝
Kulicke S			2749	21⅛	19⅝	21	

- L -

Labone	0.72	61	33	18	17⅛	18	
Ladd Furn			30	15⅛	14⅞	14⅞	
Lam Rech			1113902	34½	31⅞	34¼	+1¾
Lancaster x	0.72	16	1607	47	46¼	46	
Lance ♣	0.96	21	116	17⅝	17⅜	17⅝	+¼

- R -

Rainbow♣		13	88	17¼	16¼	17¼	+1
Rallys			457				
Raymond s	0.25	14	1668	u28¾	27¾	28¾	+1⅜
RCSB Fin	0.60	12	412	32½	32	32⅜	-⅛
Read-Rite			32433	27	23⅞	25¾	+⅞
Recoton		12	177	13⅞	13⅜	13⅞	+⅛
RegFnCp x			1890	59¾	59¼	59½	
Repligen			68				
Repub Ind			22525	33⅞	32¾	33⅛	-¼
ResrchMed		23	20	23¼	23¼	23¼	

- X - Y - Z -

Xilinx♣			2825357	45⅝	42⅞	44⅝
Xircom		27	2934	15½	14	15⅛
Xoma Corp			4386			
Yellow			934	17⅜	16⅝	16⅞
York Rsch		17	374	8⅞	8½	8¾
ZionsUtah	1.76	17	291	131⅛	119½	120¼

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Company	Mid price	Change on day	Volume	High	Low	Company	Mid price	Change on day	Volume	High	Low
ActivCard	US$8.125		150	8.25	8	Innogenetics	US$12.25	-0.125	47210	12.625	10.5
Artwork Systems	US$10.75	-0.125	3900	11.375	10.25	Mercer Internatl.	US$9	+0.125	0	11.375	8.875
Dr Solomon's ADS	US$21.875	-1	2000	26	21.875	PixTech	US$4.75		0	8.25	4.75
Esprit Telecom ADS	US$12.25		0	12.5	12						

Prices for 20/3/97

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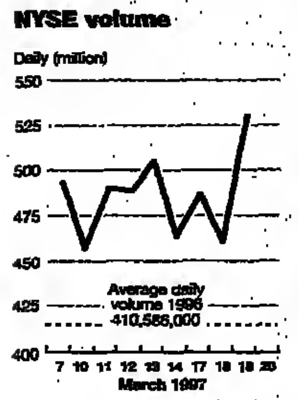
Bond fears push US shares lower

AMERICAS

Looming worries that the Federal Reserve will raise interest rates next Tuesday and a sharp slide for bonds contributed to losses on the US equity market yesterday, *writes Lisa Bransten in New York.*

Technology shares, however, staged a modest rebound from their recent string of sharp losses.

Mr Alan Greenspan, chairman of the Federal Reserve, contributed to the growing consensus that a rate increase was imminent by repeating comments that the central bank should act pre-emptively to prevent the economy from overheating. Mr Greenspan made his comments in testimony before Congress's Joint Economic Committee.



By early afternoon, the technology-rich Nasdaq had regained 10.95 of the 20.05 it shed on Wednesday bringing the index to 1,260.13, still below its level at the start of the year. The Pacific Stock Exchange technology index was off 2.3 per cent stronger.

Bargain hunters put money to work primarily in the largest capitalisation technology companies. Intel added $1⅞ at $135, Microsoft was $⅞ stronger at $97⅞, Cisco Systems climbed $2 to $52 and Oracle gained $1⅛ at $40½.

Computer makers also regained some ground.

The Dow Jones Industrial Average got some support from gains in the computer makers, IBM and Hewlett-Packard. IBM added $1⅞ at $139⅜ and HP was $2¼ stronger at $57⅞.

At 12.30pm, the Dow was off 43.81 at 6,833.87 and the Standard & Poor's 500 fell 3.54 at 782.23. NYSE volume was 261m shares.

Most of the decline in the Dow was due to a drop of $5¾ or 5 per cent to $116¾ in Philip Morris, the largest tobacco company in the US. The drop came on news that another tobacco company, Liggett Group, was poised to announce a settlement in a number of tobacco-related suits. Under terms of the settlement, Liggett would put a warning that "smoking is addictive" on cigarette packages. Brooke Group, which owns Liggett, added $1¼ or 12 per cent to $4¾. Shares in RJR Nabisco, the second largest US tobacco company, shed $⅜ or $31⅜.

TORONTO moved lower in thin trading volume to extend the recent downturn. At the noon calculation the 300 composite index was off 35.66 at 6,053.30.

Dealers said three days of price slippage plus another wobbly opening on Wall Street had undermined sentiment, although the lack of turnover suggested to most brokers that there had been no real weight of selling.

Among leading stocks, Alcan Aluminium fell 55 cents to C$49.75, Royal Bank of Canada came off 70 cents to C$55.55 and Hudson's Bay shed 35 cents to C$25.85. Among golds, Barrick gave up 55 cents to C$35.80.

Remington Energy, which this week replaced Morrison Petroleum in the 300 composite index, eased 50 cents to C$23.95. Morrison was acquired by Northstar Energy in an all share deal. Northstar came off 25 cents to C$14.

Sao Paulo in rebound

SAO PAULO confounded expectations by breaking its recent link with Wall Street and trading higher at midsession in a rebound after Wednesday's decline. The Bovespa index added 93 to 9,181.

Analysts noted, however, that Wednesday's congressional delay of a first round vote on civil service reforms and another supreme court postponement of a ruling on cellular privatisation had made for cautious trade.

MEXICO CITY opened higher on renewed buying of Telmex and continued to hold relatively steady in the face of the weak opening on Wall Street. At midsession, the IPC index was little changed, down 0.48 at 256.13.

BUENOS AIRES made marginal upward progress in spite of debt market nervousness following a drive through 7 per cent for the yield on the US benchmark long bond.

At midsession, the the Merval index was up 0.38 at 709.23.

Quiet Jo'burg ends flat

Shares in Johannesburg had a mixed session in low volume ahead of today's national holiday. Industrials moved lower but golds improved and at the close the all-share index was down a marginal 0.9 at 7,098.6.

Dealers said activity was thin, with many market participants closing their books early. Golds provided the best features with the index gaining 6.6 to 1,832.2. Freegold added R1 to R35 and Kloff improved 15 cents to R34.15.

Among industrial shares, it was mostly a day of downward drift. Selling was said to be limited. The industrial index came off 20 to 8,322.6. De Beers stood out against the broad weakness, adding 75 cents to R159.

Growing rate worries pull bourses back

EUROPE

Interest rate worries were intensified by another warning from Mr Alan Greenspan, chairman of the US Federal Reserve, that the Fed should act promptly, or indeed pre-emptively, to keep inflation low; with this, and a rise from 17.4 to 21.1 in the Philadelphia Fed March business index, senior bourse falls of 2 to 3 per cent were commonplace in Europe's afternoon.

FRANKFURT came back from a 2.6 per cent drop to close with the Dax index 58.69 or 1.8 per cent lower at an Ibis-indicated 3,247.03. The dollar staged an intraday recovery on US interest rate prospects, but cyclicals suffered along with the rate sensitive financials.

The big three chemicals were all down by 2 per cent or more, Bayer leading with a drop of DM1.95 or 2.9 per cent at DM66.40; in the automotive sector, Volkswagen, MAN and BMW ended with falls of 3.7, 3.3 and 2.9 per cent; and in banks, Deutsche and Dresdner racked up declines of 3.4 and 3 per cent respectively.

Turnover recovered from DM11.3bn to DM13.5bn, led by Thyssen which resumed trading along with its erstwhile suitor, Krupp Hoesch. The steel-based conglomerates rose by DM29.60 to DM374.10 and DM42 to DM312, up 8.6 and 15.6 per cent since Monday.

Still suffering, however, was SAP, the software group, its prefs losing DM10.50 or 3.9 per cent at DM262.50 although the dividend on those shares was lifted from DM1.35 to DM1.85, at the top end of expectations.

AMSTERDAM saw heavy profit-taking, with sellers spurred on by rising bond yields and profit warnings from two leading companies.

Concerted selling from the US in the final stages of the session only added to the torment and at the close the AEX index was off 24.73 or 3.4 per cent at 710.31.

Sentiment had a bad day. The gap between Dutch equity and bond yields had widened sharply in recent sessions and the sudden spate of bad news from the corporate sector was said to have tipped confidence over the edge.

Nedlloyd weighed in with halved profits and spoke of tough margins pressure in ocean shipping this year, KNP warned of lower first quarter profits and Nutricia ran into salmonella problems in France.

Even on a day of dramatic share price movements, Nedlloyd stood out, sliding Fl 11.50 or 20 per cent to Fl 45.50 in volume which at 1.2m shares was almost five times the average for the past 12 months.

Brokers were said to have savaged earnings forecasts at both the shipping group and KNP, which came off Fl 3.40 or 8 per cent to Fl 39. Nutricia ended Fl 17.80 or 6.2 per cent lower at Fl 269.

PARIS moved lower in average volume in spite of a near 5 per cent surge at Canal Plus. The CAC 40 index fell 43.05 to 2,553.72.

The media group shot forward on hopes for a digital TV breakthrough this year in Germany and Spain following a company presentation to analysts. The shares jumped FFr51 to FFr1,118.

The broad market, however, was unequivocally weaker. Pernod-Ricard, BNP, Alcatel Alsthom and Valeo all tumbled by more than 4 per cent. Disappointing results pushed Pernod down FFr16.10 to FFr312.90.

LVMH hit a volatile patch, sliding sharply on in-line results, recovering later after some reassurance from management, and ending FFr6 off at FFr1,304.

ZURICH fell 2 per cent, extending its 10 day consolidation, as the market took its lead from the US. The SMI index fell 92.2 to 4,442.9.

The fall took the market's pullback since March 10 to 5.2 per cent, although analysts noted that this had been a healthy reaction to the 21 per cent rally over the previous 2½ months.

Roche certificates jumped to a high of SFr12,130, helped by a CS First Boston study which suggested that the group could set up a stock buyback scheme. The share subsequently turned back but held its loss to SFr100 at SFr11,900.

Mr Genghis Lloyd-Harris at CSFB said that a buyback would have no material tax consequences, but would send a strongly positive signal to the market. He believed that a buyback was more likely that a major acquisition, often rumoured in the market, since virtually none of the attractive companies in the $5bn-$15bn price range was available and a $30bn-plus transaction could involve excessive and unwelcome risk.

STOCKHOLM dropped 1.7 per cent, the general index coming in 44.27 lower at 2,627.69. Forestries performed worst, down 2.9 per cent with Modo SKr17.5 or 7.4 per cent down at SKr219.5. Banking industry restructuring speculation turned a little sour. Nordbanken dipped SKr10 to SKr257 although its chief executive said that he was prepared to take up merger talks again with S-E-Banken if owners agreed. S-E-Banken closed flat at SKr83.

MOSCOW added to Wednesday's 3 per cent fall with another of 2.2 per cent on interest rate worries. The RTS-23 index fell 6.88 to 313.35.

Written and edited by William Cochrane, Michael Morgan and Jeffrey Brown

FTSE Actuaries Share Indices

Mar 20							THE EUROPEAN SERIES	
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FTSE Eurotrack 100	2127.22	2125.75	2127.51	2128.25	2125.82	2123.91	2124.62	2121.04
FTSE Eurotrack 200	2155.05	2153.57	2154.58	2153.90	2152.17	2150.49	2149.75	2143.85

	Mar 19	Mar 18	Mar 17	Mar 14	Mar 13
FTSE Eurotrack 100	2141.03	2145.66	2164.22	2174.00	2183.53
FTSE Eurotrack 200	2172.34	2176.63	2196.22	2208.37	2212.55

Base value 1000 (26/10/90). High/day: 100 - 2128.77, 200 - 2155.37 Low/day: 100 - 2120.65 200 - 2141.64 † Partial.
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EUROPEAN EQUITIES TURNOVER
Monthly total in local currencies (bn)

Bourse	Nov 1996	Dec 1996	Jan 1997	Feb 1997	US $bn
Belgium	116.23	118.61	158.37	151.79	4.36
Denmark	31.67	34.31	58.21	52.80	8.20
Finland	21.35	20.76	32.54	31.11	6.18
France	302.37	292.73	356.90	368.93	64.76
Germany	249.49	199.55	260.32	243.45	144.23
Italy	57,868	47,400	131,682	83,656	48.51
Netherlands	58.00	56.10	84.90	88.10	46.39
Norway	42.52	38.72	61.40	56.80	8.43
Spain	1,983.28	2,300.86	3,309.99	3,303.78	23.06
Sweden	176.60	163.45	220.20	206.54	27.82
Switzerland	40.43	38.75	58.25	57.27	38.82
UK	68.14	58.75	*	*	*

Volumes represent purchases and sales.
*Figures for January and February not available, due to difficulties arising from the move to the Crest settlement system.
Italian data adjusted to include off-market trading. Some figures may be revised.
Source: NatWest Securities

Continental stock markets maintained a strong business momentum last month.

European domestic turnover, excluding the UK, eased by 8.8 per cent in February against January; but with 10 per cent less trading days the outturn represents a "continuing high level of activity", says Mr James Cornish, European strategist at NatWest Securities.

February turnover was 45.6 per cent up on the same month last year, underpinned by a rise of a third for the FT/S&P Europe index (excluding the UK) over the 12 months. German turnover was 36 per cent higher on the year and volumes in France gained 73 per cent.

The Netherlands headed the February activity charts, producing a gain of 3.8 per cent over January. France, up 3.4 per cent, was close behind. German volume dipped 6.5 per cent. Italy was a highly visible laggard with volume sliding 36.5 per cent having steamed ahead by 178 per cent in January.

Rate concerns leave Hong Kong down 1.4%

ASIA PACIFIC

Concerns about higher interest rates left **HONG KONG** another 1.4 per cent lower, as investors awaited next Tuesday's US Federal Reserve meeting.

The Hang Seng index slid 179.09 to 12,472.33 – taking the week's losses to 2.1 per cent – in turnover that picked up to HK$9.3bn.

Analysts noted that investors were tending to ignore positive news on the earnings front. Henderson Land Development, which beat market expectations with a 33 per cent rise in interim net profits, fell HK$1.25 to HK$63.50.

Hang Lung Development fell 25 cents to HK$14 and its Amoy Properties subsidiary lost 30 cents to HK$8.20 in spite of interim results from both companies.

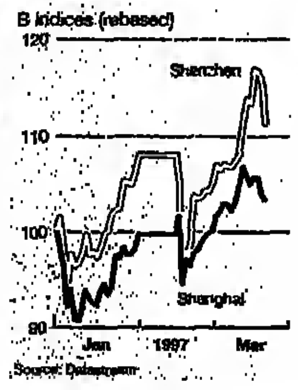
SINGAPORE tumbled 1.2 per cent to a low for the year after worse than expected export figures took economists and dealers by surprise and sent investors scurrying for the sidelines.

One analyst described the non-oil domestic export figures for February, which showed a 7.9 per cent year on year fall, as unmitigated bad news, which sent the Straits Times Industrials index down 25.13 at 2,095.43.

Among blue chips, Fraser & Neave and Cycle & Carriage both lost 20 cents, to S$11.70 and S$14.70 respectively, while FJ Benjamin slumped 23.5 cents to a year low of 90.5 cents on reporting disappointing half year profits.

SHENZHEN's hard currency B shares tumbled 3.3 per cent on continuing speculation that Beijing could announce a clampdown on trading at the weekend.

Weak results from Great Ocean Shipping, down 33 cents at HK$4, also weighed on the index which dropped by 5.52 to 162.14. **SHANGHAI** was also under pressure and the B index fell 0.41 to 69.342.



TAIPEI recovered more than half of Wednesday's losses on the weighted index which gained 51.15 to 8,492.67. Turnover remained heavy at T$145.1bn. China Steel, a recent underperformer, rose 40 cents to T$27.80; Mayer Steel Pipe gained T$1.80 to T$28.10.

BANGKOK improved for the third session running, lifting the SET index 2.47 to 703.09. Volume was thin at Bt2.7bn and dealers said the session had been characterised by several bouts of profit-taking. Thai Farmers Bank, the most active stock, added Bt1 to Bt118.

SYDNEY rallied modestly to lift the All Ordinaries index by 6.1 to 2,391.3. BHP and News Corp were aggressively sought by bargain hunters. News rebounded 6 cents to A$6.18 while, ahead of today's third quarter results, BHP gained 24 cents to A$17.13. Banks were mixed. ANZ rose 16 cents to 7.88 but Commonwealth shed 14 cents to A$12.48.

KUALA LUMPUR closed lower as investors locked in profits made on Wednesday and the composite index finished 8.84 down at 1,225.99.

United Engineers fell 70 cents to M$22.30; after the close, the company announced a 90 per cent surge in 1996 net profit to M$513.2m.

Trenergy, higher over the last week on speculation that the company had won an oil and gas contract in an eastern Malaysian state, dropped 35 cents to M$9.60 on profit-taking.

SEOUL recouped much of an early sharp fall as hopes for a raise in the foreign stock ownership ceiling helped to outweigh remaining worries over Sammi Group's financial difficulties.

Tokyo was closed for a public holiday

The composite index ended 3.43 lower at 642.86, after a low of 630.37.

After the close, however, market hopes for a higher foreign ownership ceiling were dashed by the finance minister, Kang Kyong-shik, who said: "I have not considered the matter at all."

BOMBAY staged a late rally to finish at the day's highs on speculative short-covering and gradual optimism that the market's downside risk was limited.

Analysts warned, however, that the market was still not attracting the level of foreign institutional buying needed to prop up prices.

The BSE-30 index rallied 42.83 or 1.2 per cent to 3,731.90, after Wednesday's near-3 per cent fall.

Nestlé India climbed Rs5 to Rs223 after the company announced a 27 per cent jump in 1996 net profit to Rs528.

DHAKA put a brake on the sharp falls that had pulled the market down 16 per cent over the previous five sessions, but still gave up another 6.42 to 1,273.85. The all share index lost 6.42 to 1,273 as some demand emerged in the financial, pharmaceutical and cement sectors.

FT/S&P ACTUARIES WORLD INDICES

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NATIONAL AND REGIONAL MARKETS	WEDNESDAY MARCH 19 1997								TUESDAY MARCH 18 1997					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (76)	216.98	-0.7	201.41	168.35	189.68	183.71	-0.8	4.13	218.43	203.79	169.29	190.57	184.74	225.77	188.44	200.10
Austria (24)	185.20	0.0	171.91	143.70	181.90	151.84	0.2	1.80	185.21	172.80	143.55	181.59	161.54	195.04	174.70	183.71
Belgium (26)	235.07	-0.7	218.20	182.40	205.50	201.08	-0.5	3.47	236.68	220.82	183.44	206.50	202.07	241.54	204.38	207.50
Brazil (28)	232.89	-0.8	216.16	180.70	203.59	454.66	-0.8	1.24	234.87	219.13	182.03	204.92	458.56	247.23	149.89	151.91
Canada (114)	183.98	-1.1	180.06	150.51	169.58	193.40	-0.8	1.91	185.12	182.98	152.00	171.11	194.98	203.31	154.12	156.98
Denmark (32)	373.25	-0.2	348.46	288.61	326.29	325.68	-0.2	1.47	374.14	349.07	289.97	326.43	326.22	376.98	291.30	291.30
Finland (28)	256.03	-1.2	237.66	198.66	223.82	271.51	-1.5	1.68	259.14	241.77	200.84	226.09	275.52	268.58	174.47	188.92
France (91)	219.51	0.6	203.75	170.32	191.89	195.27	0.7	2.66	218.30	203.67	169.19	190.46	193.95	225.82	186.81	187.42
Germany (59)	199.74	0.5	185.40	154.98	174.61	174.61	0.7	1.52	198.79	185.47	154.07	173.44	173.44	205.33	164.47	173.23
Hong Kong (59)	460.58	-0.6	427.53	357.37	402.64	458.08	-0.6	3.87	463.51	432.45	359.23	404.40	461.04	514.49	407.55	427.88
Indonesia (27)	231.73	0.8	215.11	179.81	202.58	341.97	0.8	1.56	229.97	214.56	178.23	200.64	339.36	–	–	–
Ireland (16)	329.25	-0.2	305.63	255.47	287.83	295.98	-0.6	3.20	329.78	307.69	255.59	287.73	297.83	343.35	258.26	262.16
Italy (58)	84.27	1.5	78.23	65.39	73.67	106.04	1.4	2.11	83.01	77.44	64.33	72.42	104.80	98.32	70.61	73.92
Japan (480)	115.04	0.3	106.78	89.26	100.57	89.26	0.5	0.88	114.64	106.95	88.85	100.02	88.85	184.68	108.16	149.06
Malaysia (107)	634.99	0.5	589.42	492.70	555.10	604.66	0.5	1.05	632.03	589.68	489.84	551.43	601.72	660.85	512.47	538.72
Mexico (27)	1377.26	2.1	1278.44	1068.64	1203.99	11923.90	1.7	1.10	1349.38	1258.94	1045.80	1177.28	11726.58	1445.68	1110.35	1156.17
Netherland (19)	345.71	-0.7	320.91	268.25	302.22	298.84	-0.5	2.59	348.30	324.96	269.94	303.88	300.34	357.16	279.88	285.98
New Zealand (14)	83.03	-0.7	77.07	64.42	72.58	63.89	-0.2	4.46	83.60	78.00	64.79	72.94	64.03	95.80	75.94	81.46
Norway (41)	306.72	-0.4	284.71	237.89	268.13	281.46	-1.2	2.16	307.87	287.24	238.61	268.61	284.91	321.23	238.19	241.02
Philippines (22)	195.60	-0.7	181.75	151.83	171.17	256.97	-0.7	0.68	197.21	184.00	152.85	172.06	258.84	–	–	–
Singapore (43)	396.98	0.3	368.49	308.02	347.03	283.43	0.4	1.05	395.82	369.30	306.78	345.34	282.38	449.15	371.28	439.10
South Africa (44)	360.40	-0.2	334.54	279.64	315.06	348.73	0.1	2.40	361.15	336.95	279.90	315.08	348.31	389.25	301.49	385.66
Spain (35)	214.26	0.2	198.89	166.25	187.31	231.71	0.4	2.76	213.77	199.45	165.68	186.51	230.86	228.18	169.09	168.09
Sweden (49)	424.68	0.1	394.21	329.52	371.25	482.23	-0.5	2.16	424.36	395.92	328.88	370.24	484.42	448.64	334.04	350.49
Switzerland (38)	255.20	0.0	236.88	198.01	223.09	228.63	0.3	1.30	255.25	238.15	197.83	222.70	227.99	257.68	229.36	247.41
Thailand (44)	78.52	1.1	72.88	60.92	68.64	79.02	1.1	4.08	77.66	72.47	60.20	67.77	78.14	167.79	73.98	176.49
United Kingdom (212)	277.03	0.0	257.15	214.95	242.16	257.15	-0.5	3.81	277.01	258.45	214.69	241.69	258.45	285.30	226.05	229.34
USA (654)	318.77	-0.5	295.90	247.34	278.87	318.77	-0.5	1.89	320.41	298.94	248.33	279.55	320.41	331.54	254.79	266.05
Americas (823)	291.64	-0.5	270.90	226.44	255.12	245.69	-0.5	1.68	293.36	273.70	227.36	255.95	246.95	303.45	233.09	242.64
Europe (727)	242.62	0.1	225.21	188.25	212.10	224.58	0.0	2.72	242.35	226.11	187.83	211.44	224.61	248.97	204.71	208.33
Nordic (150)	371.22	-0.2	344.58	288.04	324.52	361.09	-0.6	1.99	372.00	347.07	288.31	324.56	363.40	385.85	286.64	297.48
Pacific Basin (872)	135.01	0.2	125.32	104.76	118.02	103.68	0.3	1.40	134.78	125.75	104.44	117.58	103.38	177.01	131.50	162.66
Euro-Pacific (1599)	179.84	0.1	166.94	139.54	157.22	149.31	0.1	2.14	179.59	167.55	139.18	156.68	149.14	191.51	176.79	180.70
North America (768)	311.19	-0.5	288.86	241.46	272.04	310.50	-0.5	1.89	312.88	291.91	242.49	272.97	312.14	323.68	246.65	259.31
Europe Ex. UK (515)	218.56	0.2	202.87	169.58	191.06	202.29	0.3	2.10	218.18	203.56	169.10	190.38	201.78	223.97	185.65	188.89
Pacific Ex. Japan (392)	302.26	-0.3	280.57	234.53	264.23	281.64	-0.2	2.93	303.10	282.79	234.82	264.45	282.24	320.65	268.97	296.75
World Ex. US (1812)	183.52	0.1	170.35	142.40	160.43	155.40	0.1	2.12	183.36	171.07	142.11	159.98	155.28	193.47	179.10	182.06
World Ex. UK (2254)	221.77	-0.2	205.86	172.08	193.87	196.81	-0.2	1.81	222.26	207.36	172.28	193.91	197.14	226.59	199.56	205.91
World Ex. Japan (1986)	283.48	-0.3	263.13	219.95	247.81	273.65	-0.3	2.22	284.32	265.26	220.35	248.06	274.54	292.72	233.10	240.42
The World Index (2466)	226.51	-0.2	210.25	175.76	198.01	202.29	-0.2	2.01	226.95	211.74	175.68	198.01	202.68	233.38	202.32	206.03

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Swiss ask WTO to act on beef curb

By Frances Williams in Geneva

Switzerland yesterday asked the World Trade Organisation to examine whether measures taken by more than 30 countries in the wake of the "mad cow" scare to ban Swiss beef and beef products contravene fair trade rules.

Measures cited by the Swiss as possible violations of WTO rules include a German ban on transport of Swiss cattle, even though BSE or "mad cow" disease is not contagious, and a Czech ban on imports of hides and skins which scientists say carry no BSE risk.

Under a WTO accord on sanitary rules, countries must justify trade curbs on scientific grounds. WTO members agreed yesterday to consult informally on the Swiss complaint.

Swiss producers have been hit by trade curbs on beef since the UK government acknowledged a possible link between "mad cow" disease and a similar brain-wasting disease in humans. Switzerland, whose exports consist mostly of live cattle, has recorded 240 cases of bovine spongiform ecephalopathy (BSE) since 1990, the second highest incidence after Britain's 165,000 cases.

EU members, the US, Canada and other countries are applying trade curbs, Switzerland says. This is despite advice from the World Health Organisation and the International Office of Epizootics that milk and milk products, hides and skins, semen and embryos are safe, Swiss officials say.

■ The WTO's dispute settlement body agreed yesterday to set up a panel to examina Mexico's charge that an anti-dumping investigation by Guatemala into cement imports from Mexico breaches WTO rules.

■ The US has withdrawn a request for a WTO panel on the EU's grain tariff regime.

Delta appoints Boeing as sole supplier

By Michael Skapinker in London and Richard Tomkins in New York

Delta Air Lines yesterday became the second US carrier to appoint Boeing as its sole aircraft supplier for the next 20 years. The airlina will buy up to 644 Boeing aircraft over that period.

By appointing a sole supplier, Delta has dispensed with the traditional practice of pitting Boeing against Airbus Industrie, the European consortium.

Airlines usually ask both suppliers to bid for aircraft orders as a way to keep prices down.

Delta's announcement follows a decision by American Airlines last year to make Boeing its exclusive supplier until 2008. American said it would buy more than 600 aircraft from Boeing over the period.

Mr Ronald Allen, Delta's chairman, said the deal aimed to simplify the airline's fleet and reduce the number of suppliers.

The company said it had placed 106 firm orders with Boeing, with a total value of $6.7bn. However, this is

> The deal aims to reduce the number of suppliers

based on Boeing's official prices and Delta is likely to have negotiated a substantial discount.

The airline said it had taken options on a further 124 aircraft and rolling options on another 414. Options provide an airline with guaranteed delivery of aircraft when the options are exercised. A rolling option is the right to place further orders when an option is exercised or expires.

Delta's firm orders are for smaller aircraft ranging from the Boeing 737 to the new 767-400, which will carry 245 passengers. The airline has taken options on 10 of Boeing's 400-seat 777s. The aircraft are for domestic services; Delta is still deciding on aircraft for its international routes.

The deal struck last year between American and Boeing has been held up by labour problems at the airline, whose pilots had been threatening a strike. American bad made the Boeing purchase contingent on the airlines' pilots agreeing a six-year contract.

American yesterday appeared to be close to resolving the dispnte. The company said it reached a tentative agreement on e new labour contract witb negotiators for the pilots' union.

However, the deal has to be egreed by the union's board of directors, which will consider it today, and by the pilots themselves, who threw out a previous labour contract agreed by the management and union negotiators.

No details of the deal were available.

Australians in a spin over cost of music

Nikki Tait on the simmering dispute between consumer lobbyists and recording companies

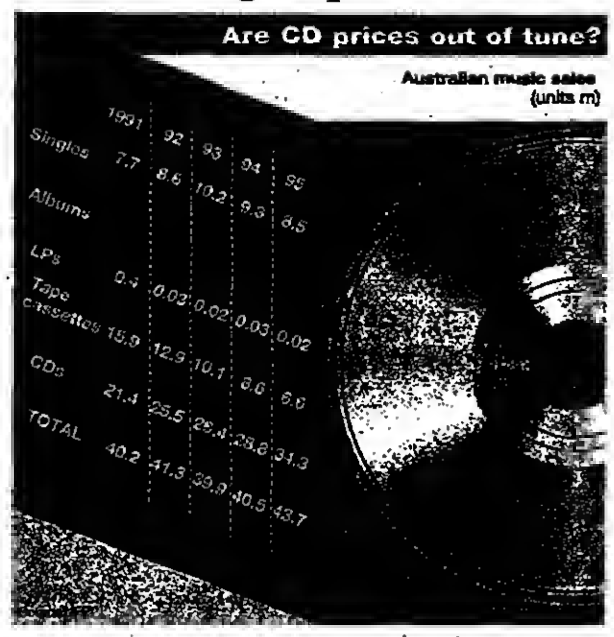
At the HMV music store in Sydney's city centre, compact disc recordings of U2's chart-topping new album are prominently displayed. There is only one problem – even after a "summer sale markdown" they cost A$27.95, around US$22.30. Walk into a music store in Manhattan or Los Angeles and the price for the CD would be nearer US$13.

This differential has been a long-standing irritant between Australia's consumer lobby and the big international recording companies. It vexed Australia's former Labor government for more than five years and now, in the wake of last year's federal election, tha new conservative coalition administration is wrestling with the issue.

At the heart of the problem is Australia's Copyright Act which bans parallel imports – that is, commercial importation of recorded music by anyone other than tha Australian copyright holder.

Consumer advocates argue that this amounts to a lucrative cartel for multinational record companies, which dominate both the international and domestic recording markets.

The "big six" in Australia are Sony, Warner, PolyGram, BMG, EMI and Festival Records. Last year about 95 per cent of the 40m CDs sold were made locally. The only imports were classical music and "niche" recordings, handled by these companies.



One of the fiercest critics of the system has been Professor Allan Fels, head of the Australian Competition and Consumer Commission, the competition watchdog. "It is quite obvious, given the very low transport cost of shifting CDs from ona country to another, that if there were free trade there would be a sharp fall in CD prices, of several dollars at least," he has said.

A survey last month by the Australian Consumers Association updated the extent of the differantial. Looking at the top-selling CDs in Australia and the US across a handful of outlets, it found that Australian CDs cost 44 per cent more in 1989 and 42 per cent more last year. The percentage is about the same this year.

It also compared the British market, where the Monopolies and Mergers Commission decided against lifting similar parallel import restrictions in 1994. Here, according to the ACA, Australian prices were 21 per cent higher in 1989, 15 per cent higher in 1996, but are 3 per cent lower now.

The recording industry has a well-oiled response. It claims the price differential is largely explained by different tax systems – notably, royalty rates – and the economies of scale inherent in producing for the vast US market. Once transport, distribution and administrative costs are added in, imports from a US-based wholesaler would look less attractive.

The industry also maintains that if the parallel import restrictions were lifted, Australia would risk a flood of pirated imports. Guarding against these could be costly and largely ineffective.

Mr Emmanuel Candi, executive director of the Australian Recording Industry Association (Aria), says that pirated products could take 15-20 per cent of the market – that is annual sales of about A$100m (US$80m).

The association claims, too, that a change in the rules would hit the local music industry, which employs about 55,000 people.

It says that new importers would concentrate on a narrow range of popular, chart-topping releases, on which they could undercut the "big six" and enjoy fairly high turnover. But to counter the subsequent margin squeeze, established companies would probably prune promotional spending, thus reducing the size of the overall market.

Prices for more obscure titles – which importers would be less eager to supply – would probably go up. The association warns of cutbacks to "long-term, higher-risk activities, like Australian artistes".

These arguments exercised the former Labor government. In the early 1990s cabinet ministers accepted a Prices Surveillance Authority report, which suggested that removing restrictions an parallel imports would significantly reduce the price of CDs. They then agreed to remove import restrictions on sound recordings by overseas, but not Australian, artistes.

After much argument this unimplemented decision wae reversed in 1995 – a move Labor claimed took account of the international trading environment and which was in line with global copyright trends. To placate consumers it introduced a system of price monitoring and announced voluntary industry development arrangements with the record companies, which were aimed at increasing industry investment.

The new conservative coalition government has yet to state its position formally, although the cabinet is expected to examine the issue soon.

Senator Richard Alston, communications mioister, was a fierce critic of Labor's reversal when in opposition, accusing bis oppooents of "protecting the cosy monopoly enjoyed by multinational recording companies at the expense of consumers". The federal treasury is also thought to support reforms.

But a fresh round of pre-emptive lobbying is already under way. Aria bas cautioned that bundreds of independent music stores could be squeezed, particularly if parallel importing encouraged big US retailers to move in.

This is a well-aimed political tactic, given the coalition's wooing of "small business" at the last election. Meanwbile, US trade officials bave warned they would view any change as "a serious blow to intellectual property rights protection of US industries".

For its part the consumer lobby has pointed out that technology is breaking down the barriers anyway. Already, music-loving Australians have the choice of shopping via cyberspace, for example.

Websites allow CDs to be purchased duty-free, and even after paying shipping costs this usually works out cheaper than the local music store. In principle, tax should be levied at 26.4 per cent, but Australian Customs does not collect tax payments of less than A$50 on personal imports.

EU split on cotton dumping action

By Jenny Luesby

The European Union's anti-dumping committee last nigbt appeared split on the unbleached cotton case that has divided Europe's textiles industry.

Seven member states voted in favour of e five-year anti-dumping action against India, Pakistan, Indonesia, Chino, Egypt and Turkey, and seveo member states voted against.

The deciding vote lies with Germany, whicb has postponed its decision. However, whicbever woy Germany votes, the case now seems set to move beyond the anti-dumping committee to member states' permanent represeotatives – in order to establish e more cooclusive majority.

If the permanent representatives cannot agree, tbe case will pass to the Council of Ministers.

The Commission introduced provisional duties on £400m ($640m) of fabric imports, representing a fifth of the unfinished cotton fabric consumed in Europe, four months ago.

Its aim was to protect the region's struggling fabric weaving sector from cut-price imports. But buyers of the imports, involved in dyeing, printing and making up the fabrics into clothing and home furnishings, claim the duties are "catastrophic".

In the UK, Coats Viyella, Lonrbo and the Leeds Group are just three of the companies affected.

Coats Viyella last week made 26 people redundant at its Calprina Printing plant in Cheshire. More job cuts are set to follow, it says. The plant employs 120 people.

For Lonrho, the first plant to be affected is Cramlington Textiles in nortb-east England, which employs 600 people. Walsden Printing, which is owned by the Leeds Group, says it is facing short-time and redundancies as a result of the anti-dumping action.

EDI data exchange spreads its wings

Frances Williams on a quick response system that cuts errors and brings huge savings

What do Apple Computere, Brazit's Petrobrás, the Port of Marseilles, Swiss Reinsurance and Britain's Netional Health Service have in common? They are all using standardised procedures for electronic data exchange developed by the Geneva-based United Nations Economic Commission for Europe (ECE).

Three decedes after it started work on simplifying trade documentation, the ECE this week inaugurated a Centre for the Facilitation of Administration, Commerce and Trade (Cefact) designed to provide a focal point for growing worldwide activity in that area.

Cefact will for the first time give the private sector and non-ECE members formal status in running the programme alongside the 55 ECE members in eastern and western Europe, North America and central Asia.

The programme is centred on UN/Edifact (Electronic Data Interchange for Administration, Commerce and Trade), first developed by the ECE and adopted as a global standard in 1987. UN/Edifact allows information to be exchanged between computer systems in different organisations, irrespective of the type of computer or software used.

Initially adopted by large multinationals for intra-firm transactions, the use of EDI has spread to their customers and supply chains, and to their dealings with government agencies, tax authorities, insurance companies and banks.

The savings from EDI standardisation can be huge. Volkswagen of Germany hopes to cut 1 per cent from operating costs by using UN/Edifact for all its internal and external business.

This is on top of even bigger savings, made by most big companies long ago, from switching to EDI from paper documentation. For Texas Instruments of the US, the savings from introducing EDI were estimated at $50m a year.

A typical trade deal may involve as many as 50 different transactions and corresponding documents such as bills of lading, letters of credit from banks to exporters, manifests and so on.

By enabling data to be exchanged without manual copying or data entry, EDI cuts costs directly, reducing error and expensive consequencee. UN/Edifact is widely used for automated customs clearance, cutting processing from days to minutes. Express mail companies use UN/Edifact customs declarations to clear packages in edvance of their overseas arrival.

Just-in-time manufacturing and "quick response" retailing, now commonplace in the industrialised world, could not function without EDI, which is used for eutomated ordering systems. Where international communications are involved, UN/Edifact is the predominant standard.

Tumbling software costs – EDI software based on UN/Edifact can now be bought in the US for under $1,000 – and the growth of the Internet have brought EDI within reach of the smallest companies.

Already, some multinationals insist all their suppliers use EDI, notably in the car, distribution and pharmaceuticals sectors. Singapore port authorities now refuse paper documents, requiring companies without EDI to go through transaction processing centres.

So far the ECE, working with government and private sector experts, has developed nearly 200 standardised "messages". Most deal with common commercial transactions, but an increasing number are being developed for more specialised uses.

These include the SWIFT system used by banks for international money transfers, international airline information and booking systems, health insurance claims in the Netherlands and Norway, and dentists' claims and transmission of blood test results in Britain's National Health Service.

The ECE's Cefact, while continuing the UN/Edifect work, has grander ambitions to become an international centre for trade facilitation in general. tt has begun to model everyday commercial transactions, such as invoicing, stock-taking and credit transfers, to come up with ways of simplifying and harmonising procedures and data needs.

So far, the ECE has issued 26 recommendations to simplify trade procedures. These include the UN Layout Key for Trade Documents, e code for ports and other locations (to avoid shipping errors) and abbreviations for terms of payment.

"The real benefits of standardisation are only going to be felt, especially in developing countries, when business requirements are standardised," says Ms Kendra Martin, EDI manager for the American Petroleum Institute and chairwoman of the EDI committee of the American National Standards Institute.

In one pioneering project, the US, Canade and Mexico, partners in the North American Free Trade Agreement (Nafta) are working on e common customs declaration based on UN/Edifact that can be filled in by anyone with an Internet connection. "In time, everyone will do their trade returns on the Internet," says an enthusiastic Ms Virginia Cram-Martos of the ECE. Efforts are also being made by the UN to enable poorer countries to take advantage of EDI, for instance, through the network of trade points set up by the UN Conference on Trade and Development, also based in Geneva.

Tha ECE expects further impetus to coms from the World Trade Organisation (three-quarters of whose members ere developing countries) which has been asked by ministers to examine the scope for WTO rules on eimplification of trade procedures.

Canada credit insurance tussle

By Bernard Simon in Toronto

Canedian credit tnsurers and factoring bouses beve launched e trade association with the goal of driving the government-controlled Export Development Corporation (EDC) out of the domestic credit insnrance market.

Tbe EDC's mandate was broadened in 1993 to include domestic cover, as a complement to its core export finance and export credit insurance business.

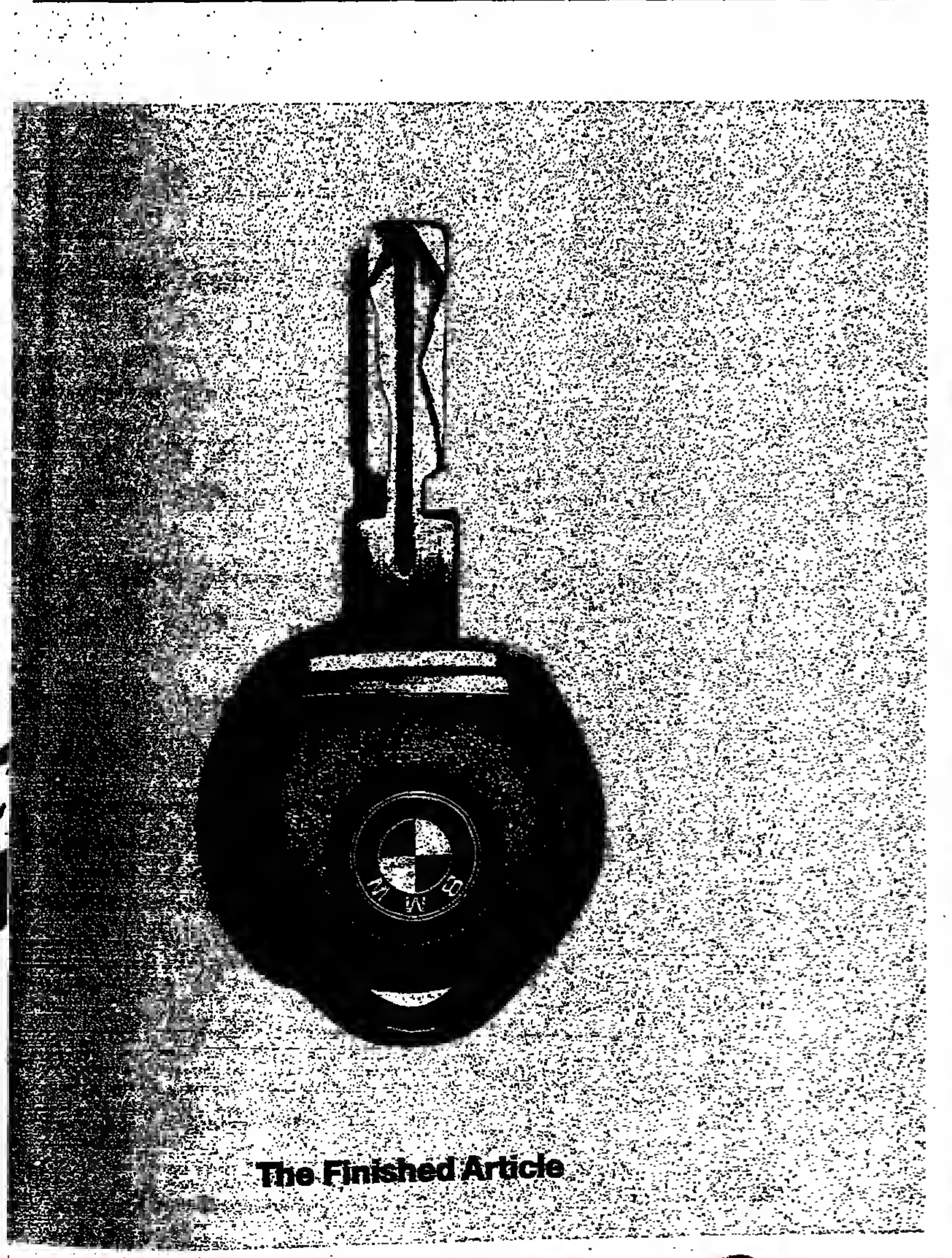
Tbe extra powers were designed, in tbe EDC's words, "to provide better service to exporters" by offering a single export and domestic credit insurance policy. The agency contends its domestic business aleo belps exporters strengthen their balance sbeets.

The EDC insists tbat it provides domestic cover only to compantes with exports of at least C$5m (US$3.6m) a year or 15 per cent of total sales. Domestic business currently makes up less than 10 per cent of the EDC's total credit insurance votnme, wbtch reaebed C$15.7bn last year.

However, private insurers say the agency has become increasingly active in the past two years, especially among small companies. It has emerged as an insurer of several suppliers to retail ehains tbat have recently experienced financial difficulties.

Mr Mark Perna, president of Accord Business Credit, a factoring house based in Toronto, queried the logic of the EDC's contention that it was offering a streamlined service. "Why don't they do property insurance as well, or have a coffee service for exporters?" he asked.

He says Italy and Spain are the only other industrial countries that allow their export credit agencies to provide domestic cover. The service has been privatised in several other countries. "The federal government, through the EDC, is into an area abty serviced by the private sector," he added.



...n possibilities to choose from, a thief ... more chance of winning the world's ...est lottery four times in a row than he ...of ever figuring out the key to our code.

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MANAGEMENT

Book Review · Tony Jackson

Simple divisions

Head offices add value, but also subtract it. Generally they are better at the latter

BREAKUP! WHEN LARGE COMPANIES ARE WORTH MORE DEAD THAN ALIVE
By David Sadtler, Andrew Campbell and Richard Koch
Capstone £18.99, 230 pages

Demolition job: breakup candidates

Breakup index	Company	Relationship
1=	American Home Products	Healthcare vs agricultural products vs food products
2=	Bristol-Myers Squibb	Pharmaceuticals + medical devices vs health products + toiletries
2=	General Motors	Automotive vs aerospace
2=	Johnson & Johnson	personal care vs pharmaceuticals + medical products
2=	PepsiCo	Beverages + snack food vs restaurants
6=	Berkshire Hathaway	Insurance vs confectionery vs home products vs shoes
7=	BankAmerica	Consumer + middle-market vs corporate
7=	Exxon	Petroleum vs chemicals
7=	Amoco	Exploration & production + petroleum products vs chemicals
7=	Chevron	Petroleum vs chemicals
7=	Ford	Automotive vs independent financial services (Associates & USL)

Companies are ranked by the degree of dissimilarity between their businesses. Other factors include variations in operating margins across subsidiaries and the strength of arguments for diversity advanced by management.

Judging by experience, splitting companies up is the nearest thing to easy money the stock market allows without breaking the law. A study quoted in this book claims the average demerged company outperforms the market by 25 per cent in its first 18 months. Nor is this a one-off effect – it usually improves over time.

In the UK, one need only look at the drug company Zeneca, which has doubled against the market since its apin-off from Imperial Chemical Industries four years ago, to find the proposition plausible. So why is it, as the book's subtitle claims, that large companies are worth more *dead than alive*?

One argument especially popular with corporate executives can be dismissed out of hand: that the market cannot identify the value of individual businesses in a larger whole. When the US conglomerate ITT decided on its three-way break-up in 1995, its shares rose by half. But ITT was already reporting the results of the three businesses separately. Investors may be dumb, but not that dumb.

The argument here proposed is by now familiar, but still unpalatable to professional managers: multi-business companies destroy value. The corporate centre is not merely an overhead, it ensures that the operating companies perform less efficiantly than they would if left to their own devices.

From a traditional viewpoint, this seems nonsense. The whole point of head office is to achieve economies of scale in financial services, procurement, personnel and legal services. But this, the authors say, is oot the point. Of course head offices add value. Simultaneously, in different ways, they subtract it. Generally, they are better at the latter.

The list of reasons for this, although not exactly new, is usefully comprehensive. The corporate centre is less well placed to understand the businesses than the operating managers, and makes worse decisions. Operating managers tend to mislead head office, especially at bndget time. Operating companies become sleepy, inefficient and risk-averse because the top company acts as a cushion.

Head office managers are fatally drawn by the mirage of synergy as a means of justifying their existence. If there were real opportunities for individual businesses to work together, they should be doing so already. Forcing them to do so wastes time better employed running the business.

It is the job of central departments, such as finance and public relations, to create policies – that is, to set up procedures for all subsidiaries uniformly, whether they make sense locally or not. Last but not least, head office functionaries are natural buyers, not sellers, and destroy valne through acquisitions.

So far, so persuasive. The trouble comes with the exceptions: those which are multi-business companies but still contrive to add value from the centre. The book's *first line of defence* is something of a dodge, the creation of a separate category, the focused business company.

An attempt is made to define focused business companies in terms of clusters of related businesses. As we read on, however, it becomes clear that such purely opportumistic and diverse operators as KKR and Richard Branson'a Virgin group qualify as focused business companies. The definition thus becomes tautologous, focused business companies are companies which add value because they add value.

The authors have further difficulty with General Electric of the US, which besides being the world's biggest company by market value is a self-described conglomerate. Their answer is to bracket Jack Welch, GE's chairman, with the porfolio investor Warren Buffett.

"Frankly, we view both Jack Welch and Warren Buffett as magicians," they write. "Their successes are exceptions that prove the rule." This will scarcely do. Warren Buffett does not prove the efficient market hypothesis. He is its single most powerful rebuttal.

Similarly, self-respecting chief executives are unlikely to accept the notion of Jack Welch as an impossibla virtuoso. They will seek to emulate him, and to that extent they will undermine the main thesis of the book, which is that the break-up movement has achieved unstoppable force.

But it would not do to carp. As the exclamation mark suggests, *Breakup!* aims to be popular and accessible. It succeeds admirably, being short, clear and punchy. If it overstates its case, that only shows the journalistic approach has occasional offsetting vices.

The book can be recommended to managers in practical terms. It has checklists on how to decide if your company is a break-up candidate, and helpful hints, drawn from interviews, on the break-up process itself.

Not all managers will swallow the thesis whole. But even after discounting the hype, there is no disputing one central point: demerger is one of the dominant corporate themes of life in the 1990s.

Work ethic and the Magna Carta

Bernard Simon on a Canadian company that balances generous staff incentives and profits

The gift certificate is useful, but it is the prime parking spot near the executive offices that makes the Employee of the Month walk tall at Polycon, a car bumper assembly plant near Guelph, Ontario.

At Karmax, a nearby metal-stamping plant, workers with perfect attendance can bank two bours a month in time off. The Karmax estate includes a baseball diamond, soccer field and tennis court. Tea and coffee are free, and the subsidised cafeteria is open 24 bours a day.

Karmax and Polycon are two of 180 plants and design offices in North America and Europe owned by Magna International, the fast-growing Canadian aoto-parts maker.

The panoply of incentives are a cornerstone of what Frank Stronach, the group's Austrian-born chairman and controlling shareholder, calls Magna's "unique operating structure and corporate culture".

The culture balances generous incentives and an emphasis on *teamwork* with a *single-minded* work ethic, an unrelenting drive to squeeze costs, and a sensitivity to oniside scrutiny.

"The people that survive here realise that this is their number one thing," says Ross MacLean, Polycon's general manager, who typically works a 70-hour week. About 60 per cent of Polycon's workforce are Asians, many of them recently arrived in Canada.

The average age of the 793 workers on Karmax's payroll is under 30. "They always love to work," says Klaus Niemeyer, Karmax's general manager and ooe of several German and Austrian engineers in Magna's senior ranks.

Magna has emerged from a brush with disaster six years ago to become one of the biggest suppliers to the Big Three US carmakers and, increasingly, to their European rivals, notably Mercedes-Benz, Volkswagen, BMW and Rover.

It has powered from a C$224m loss in 1990 to earnings of C$197.3m, excloding gains from divestments, in the six months to January 31. Michael Lam, analyst at RBC Dominion Securities, forecasts a 20 per cent spurt in 1997 earnings. Revennes are set to exceed C$7bn this year.

Recent UK acquisitions include Caradon Rolinx, which makes plastic bumpers, and Marley, an interior components supplier. Other purchases are in the offing, including a thrust into Latin America, probably Brazil.

Says Graham Orr, executive vice-president: "We're really driven by the car companies who are going global in their demands for full-service snppliers. We want to replicate in Europe the core businesses that we have in North America."

Eliciting employee suggestions and grievances has become a pillar of the Magna style of management

Stronach, who emigrated to Canada in the mid 1950s, now spends most of his time in Austria and Switzerland directing Magna's European expansion.

He is at his most forceful – at times, overbearingly so – when he spells ont Magna's corporate philosophy, designed to foster a "strong sense of ownership and entreprenenrial energy".

His ideas are pnt into practice through a corporate constitution and a Magna employee charter. Copies of the charter, translated into 10 languages, dot the corridors of Magna factories. According to the constitution, 10 per cent of pre-tax profits must be allocated to employees in the form of cash and share-purchase schemes.

The document also requires senior managers' salaries to be pegged "below industry standards". A plant manager, overseeing as many as 800 workers, typically earns only C$75,000 to C$80,000.

Cash and share bonuses, totalling as much as 5 per cent of a plant's profit, can multiply the base salary several times, although only a portion of the shares can be cashed in each year. The bonuses, for managers and workers alike, are in lieu of a company pension plan.

Magna says pay ot each plant is well above the average for the area. It declines to disclose the actual sums, but the employee charter promises "if your total compensatioo is fonnd not to be competitive, then your wages will be adjusted".

Eliciting employee suggestions and grievances has become a pillar of the Magna style. Plant managers are required to meet all their workers at least once a month. Workers have access to a confidential corporate "hotline", and are asked to complete an extensive head office questionnaire once a year. These surveys resulted, for example, in Polycon opening a canteeo and introducing greater flexibility in medicol benefits.

Grievances are adjudicated by in-plant "fairness" committees. Members are chosen by lot from volunteers trained in dispnte mediation. MacLean says that that be has oever overturned a recommendation from the fairness committee.

At one committee's urging, Polycon agreed to remove a written warning from the file of an employee who had caused tens of thousands of dollars in damage with a lift truck.

Magna appears to have succeeded to winning workers' loyalty. Niemeyer says labour turnover at Karmax was a mere 0.4 per ceot last year. It bas also succeeded to keeping trade unions at bay, with just two of Magna's North American plants unionised.

THE PROPERTY MARKET

Spring in their step

UK investors have more reason to be optimistic than of late, writes **Andrew Taylor**

For investors in UK commercial property, the chill of winter has lasted six long years. Only now are the first springtime shoots of rental recovery being seen.

Figures published today by Investment Property Databank show the first rise in commercial property portfolio rental values since 1990. The databank measures the performance of nearly 13,000 UK properties, mostly institutionally owned, with a combined value of £52.5bn ($83.5bn).

It says that rental valnes of the properties rose by 3.1 per cent in 1996, with most of the increase coming in the final months of the year. The upturn follows a fall of 24 per cent in the preceding five years. It means that total returns reverted to double figures last year after dipping to just 4.3 per cent in 1995.

Total returns, including sales, purchases and developments, reached 10.4 per cent, while market returns on existing assets climbed from 3.3 per cent to 9.6 per cent.

Property's relative performance also improved against other investments, outstripping a 7.6 per cent return on bonds but still lagging behind a 16.8 per cent return from equities.

Comparative performance over 25 years shows equities still comfortably ahead with average returns of 15.9 per cent, compared with bonds at 11.8 per cent and property at 11.6 per cent.

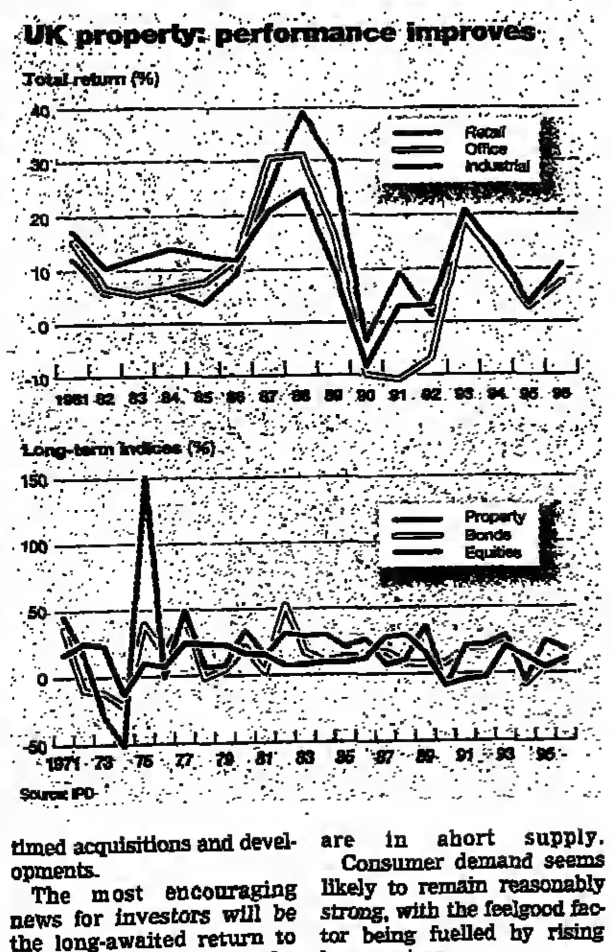
Property's attraction to institutional investors has waned over the past 15 years and it now accounts for just over 5 per cent of the value of investment portfolios compared with almost 19 per cent in 1981.

A change of heart may be under way, however, says IPD. A total of more than £4.5bn was invested in portfolios covered by its survey which, together with spending on development and refurbishment, "comfortably outpaced selling, reversing the trend into net disinvestment witnessed in 1995".

A recent heartening factor has been the manner in which funds have enhanced returns over the past two years through active trading and development.

This is in sharp contrast to the late 1980s and early 1990s when institntions dilnted their returns through badly timed acquisitions and developments.

UK property: performance improves



Source: IPD

The most encouraging news for investors will be the long-awaited return to rising rental values. The question is: will this revival be sustained or will it peter out, as did an earlier rise in commercial property capital values?

Capital values rose by 11 per cent and 3.9 per cent respectively in 1993 and 1994, only to slip back by 4.4 per cent in 1995. Last year they edged up by 1.6 per cent.

Prospects for a more sustained recovery, however, look better than for some time. The UK economy is growing strongly, which should feed through to higher tenant demand.

Very little new development has been started in the 1990s, which means that in selective markets prime modern buildings are in ahort supply.

Consumer demand seems likely to remain reasonably strong, with the feelgood factor being fuelled by rising house prices.

Investor demand for ont-of-town retail property is also likely to remain high, with environmental controls and planning restrictions inhibiting further new development.

There is still a large overhang of empty office space, but even here shortages may be looming for large modern space in city centres given the recent dearth of new construction. This is particularly true of central London.

Market rents still have a long way to go, however, before they start to catch up with buildings let et peak rents at tha end of the last dacade. Theae properties bave little prospect of growth until they can unlock their reversionary potential.

Over-renting affects more than 15 per cent of income from properties covered by the survey. In the the office sector the proportion rises to more than 25 per cent.

The gap between historic and current rents is such that "income growth depends more on void clearance and the expiry of rent-free periods than it does on market recovery", says IPD.

Initial yields following last year's rise in rental value hardened slightly across the sector from 8 per cent to 7.8 per cent, returning only to their 1994 level. Equivalent yields hardened from 8.3 per cent to 8.1 per cent.

This yield could look seductive, with a number of institutions forecasting that property will improve its relative performance against equities and gilts this year.

For the fourth time in five years the top performing sector of tha market was retail, which generatad a total return of 11 per cent last year with rental values climbing 4.2 per cent.

This continued outperformance owes much to consistently higher returns earned by retail warehouses which last year generated a total return of 15.4 per cent, well above any other major market segment.

Offices, which prodnced a total return of 7.5 per cent and a 2.5 per cent rise in rental values, have been as consistently unsuccessful in recent years as retail has been successful, saya IPD. Only once in 16 years has the sub-sector topped the rankings on total returns. Office rental values aince 1990 have fallen by 41 per cent.

Total returns from industrial property were 10.2 per cent, with capital growth of of only 0.3 per cent. "Despite this poor result," says IPD, "industrials remain comfortably the best performing sector over 10 years with an annualised return close to 14 per cent a year.

"This 4-point margin over retails has been due largely to the consistently higher yields demanded of the sector, producing much higher income returns."

Spring certainly seems to be in the air for the sector. Institutions will be hoping that there will ha no late frost to stem what at long last looks like the beginning of a recovery.

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Philip Stephens

An 18-year burden

Many in the Tory party have grown contemptuous of those they purport to represent and the voters sense it

In tbe nature of these things, the last House of Commons duel before the general election between John Major and Tony Blair was something of a disappointment. There was bitterness aplenty, and the promise therein of a particularly nasty election campaign. By my scorecard, Mr Blair ended well ahead. Mr Major cannot win when the subject is political sleaze.

Yet the bad-tempered mood in Britain's cockpit of democracy told little of the seismic shift in politics which the opinion polls predict with such unshakeable certainty. The government's defeat is so widely assumed as to blind the nation to its significance.

The Commons was a more civilised place back in April 1979. In those deys the television cameras were barred. The politicians played, literally, to the gallery. James Callaghan's valedictory exchange with Margaret Thatcher gave little hint of the revolution which was to follow the defeat of the Lahour government. On the eve of victory, she did nothing more than decry a steep increase in domestic rates. It was if she knew the occasion was irrelevant. In the world beyond Westminster, the people had made their decision.

So it must seem again to Mr Major and his ministers. This was to be the week of the long-promised fightbeck. The election announcement handed the prime minister the initiative. He was on his soapbox within hours. The news on the economy was to make his case. It was good news.

I have given up calculating how many times the government has massaged the official count of unemployed henefit claimants. But the economic recovery has brought a sizeahle, genuine reduction. The benign effect of liberalisation and deregulation is denied by only the oldest of Old Labour diehards. Economic growth remains strong and Inflation subdued, though Mr Major and his ministers tempt the gods when they talk of a hoom without a succeeding bust.

To Kenneth Clarke, the nation, maddeningly, is not listening. The chancellor endeavoured this week to pnt the government's case. Mr Clarke, who treats the voters as grown-ups, is ready to admit the mistakes and broken promises after the 1992 election. But he poses a question. How would Lebour have managed the economy over the same five-year period? Would it have taken the hard decisions needed to restore the present, favourable conjuncture?

It is a good question. But within it lies Mr Major's essential problem. He carries the hurden of 18 years, not of five. Many in his party have grown insolent in office, contemptuous of those they purport to represent. The voters sense it.

Few outside Westminster grasp the detail of the charges in the so-called cash-for-questions affair. The damage comes from the way it nourishes the puhlic perception of arrogant indifference. A parliamentary timetable calculated to postpone publication of Sir Gordon Downey's report into alleged payments to Tory MPs seems to confirm the suspicion. And Mr Major's refusal to reconsider does no service to the tarnished reputation of politics.

> Too few on Mr Blair's side show real understanding of the gulf between the easy rhetoric of opposition and the harsh reality of power

This distance between government and governed is highlighted too hy Tory divisions over Europe. Malcolm Rifkind, the foreign secretary, is stoking up the embers of party dispute over a single currency. The Emu enterprise, he said during a visit to The Hague this week, was as dangerous as it was divisive.

The Netherlands was the final stop on a four-nation European tour during which Mr Rifkind chose to speak not to Britain's partners but to the sceptics on the Tory backbenches. Each time his carefully calihrated ecorn stretched and distorted the official cabinet line towards the single currency. He has lost the trust of Mr Clarke. Perhaps that is the aim. The foreign secretary, like several in the cabinet, is anticipating the Tory leadership contest which would follow an election defeat.

So Mr Major has good reaeon to try to detach himself from his party for the next six weeks. The decision to wage e long campaign until May 1, though, is a huge gamble. If the opinion polls show Labour's lead (now 20 points or more) narrowing fast, the tactic will seem bold. But if not? Others in his party are conjuring up another image: that of e lonely figure toppling from his soapbox in some half-deserted market square. Nice people, today's Tories.

For Mr Blair, the biggest danger is a complacency which is running fast towards hubris. Each week he enjoins colleagues to take nothing for granted. The swaggerers ignore him. Thus at a Westminster party earlier this week, one of Labour's frontbench spokesmen affected modesty: it would be a smallish landslide, he offered. The swing to Labour on polling day would not be more than 10 per cent. He would be content with a parliamentary majority of 70 or 80.

There was no intimation of the fearful challenge that government will present to a party which has known nothing bnt opposition for a generation. One should not draw too much from such a single chance encounter. And some in the shadow cabinet, like Gordon Brown and David Blunkett, have prepered assiduously for government. But too few on Mr Blair's side show real understanding of the gulf which lies between the easy rhetoric of opposition and the harsh reality of power.

The style of the Labour leader's campaign is calculated to redress the balance. Triumphalism is out. For the moet part he will eschew mass rallies. Instead his journey round Britain will be built around a series of encounters with smallish groups – of undecided voters and of professionals such as teachers and nurses. There will be serious lectures, interspersed with meetings of business leaders.

The manifesto will be similarly soher. Those who have read the draft say it is rather boring. But then Mr Blair is fond of reminding colleagues that the voters did not desert them at the last four elections because they were insufficiently exciting.

Playing it safe is no guarantee. Labour is now the government-in-waiting. It is unaccustomed to the hard questioning that position promises. Its spending and tax plans will be more seriously tested. As polling day approaches, the voters will think hard ebout life under a new government. Some will be excited, many will be wary. But it will take an earthquake to return Mr Major to the prime minister's place at the Commons despatch box.

·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL

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Outward investment from Hong Kong needs to move up agenda

From Mr Michael Littlechild and Mr Leo Martin.

Sir, John Ridding ("HK manufacturers seek a higher profile", March 14) suggests that there is a feeling in Hong Kong that the territory needs "an industrial policy to bolster manufacturing". However, it is misguided to see Hong Kong'e switch to services as a wholesale disengagement from manufacturing.

Many of the service activities in Hong Kong are eervice *functions* controlling manufacturing activities in sonthern China and the wider region – through management of operations, design, marketing and so forth.

Having worked with the government over the past two years to help develop Hong Kong as a world-class service centre, we believe the switch to higher value-added services is both inevitahle and welcome.

If anything, the challenge for Hong Kong is to make its service activities grow more rapidly. In a manufacturing economy this can be achieved through companies upgrading their technology and training. In a service economy this is harder to achieve because productivity gains through technology are relatively harder to obtain.

Hong Kong therefore needs to encourage service companies not only to raise their productivity through technology and training hut also to put their lower value-added functions outside Hong Kong and to invest continuously in higher value-added operations.

This is the way for Hong Kong to huild on its successful economy – with its companies controlling manufacturing operations throughout the region and keeping the high value-added service fnnotions at home. Supporting outward investment from Hong Kong is just coming on to the agenda, as it should.

Michael Littlechild and Leo Martin,
KPMG,
PO Box 486,
1 Puddle Dock,
London EC4V 8PD
UK

MMC verdict borne out by fall in prices

From Mr E. A. Wallis.

Sir, The Monopolies and Mergers Commission's view on the electricity generation market ("UK power", Lex, March 19) was spelt out in a 270-page report at the end of a four-month inquiry that took evidence from a wide range of interested parties and expert witnesses.

The MMC concluded that, with continuing new entry and the disposal by PowerGen and National Power of five power stations to Eastern Group, the trends in the electricity generating market would produce a broadly satisfactory competitive environment from 1997.

Since the report was published, not only has competition in the electricity trading pool driven prices down hy about 7 per cent in real terms, but also the proportion of pool prices set hy PowerGen over the crucial winter period has fallen by a quarter compared to last year. Therefore, the evidence rather seems to indicate that it is the MMC – not the Lex column – that got it right.

E. A. Wallis,
chairman,
PowerGen,
Westwood Way,
Westwood Business Park,
Coventry CV4 8LG, UK

BBC has gained an unfair advantage

From Mr Paul Brown.

Sir, Your editorial ("BBC's challenge", March 19) regarding the future governance of the BBC hit the spot.

However, those fearing for the future of the BBC should bear in mind the astonishing advantages – guaranteed by the government – that the BBC has over its UK commercial hroadcasting competitors.

The BBC television licence fee funds two terrestrial TV services, five national radio services and about 40 local and regional radio services, all promoting each other like mad. These flexible and maseive brand, archive and technical resources, which UK legislation prevents any UK commercial broadcaster from achieving, form a very substantial platform from which the BBC can involve itself in commercial media ventures of all kinds.

Sir Christopher Bland and his executive, who now pretty mnch all come from the commercial world, are playing a very skilful game. They have convinced legislators that it is possible to be a little bit commercially pregnant – a clear hut convenient nonsense – and can now plead to be treated as a multimedia, commercial broadcasting group when it suits their interests and e public service broadcaster when it does not.

We in commercial radio recommend that your readers should worry less about so-called BBC vulnerability and more about its strong, largely unrestricted growth.

Paul Brown,
chief executive,
Commercial Radio Companies Association,
77 Shaftesbury Avenne,
London W1V 7AD
UK

Ticket to rail

From Ms Elizabeth M. Balsom.

Sir, Like many of South West Train's disgruntled passengers, I handed the company several hundred pounds at the beginning of January in the belief that I was huying access to a reliable train service for the whole year.

Rather than fining the company ("Privatised rail group faces £1m ultimatum", March 15/16), the regulator should consider prosecuting it for obtaining money hy deception or changing the parent company's name from Stagecoach to Dick Turpin. In my view Stagecoach has engaged in nothing other than highway robbery.

Elizabeth M. Balsom,
16 Coalecroft Road,
London SW15 6LP, UK

Airline sick bags are not to be sniffed at

From Ms Victoria Younghusband.

Sir, I have never collected airline sick bags ("Obscure objects of desire", March 17), though I now appreciate that I have obviously missed lots of opportunities through failing to examine the sick bags of some obscure, and not so obscure, airlines in Asia.

However, I could not resist keeping a towelette handed out by China Northern on a flight from Beijing to Dalian in April 1995 from Shenyang Aviation Healthyware Factory, the English version of which claims (sic): "This product can thoroughly kill verus of hepatitis, venereal disease and lymphocyte in one minute, kill staphy lococci, bacterium coli, tubercle bacilli and fungas in five seconds."

Victoria Younghusband,
24 Hasker Street,
London SW3 2LG, UK

Slopping out line an injustice to Wandsworth

From Mr Paul Infield.

Sir, Nigel Spivey's juxtaposition of his "supping up" with prisoners' "slopping out" in nearhy Wandsworth Prison ("Getting to the bottom of the prohlem in the County Arms", March 15/16) is neat, but false.

Slopping out ended in Wandsworth at the end of Fehruary 1996 when B Wing was closed for extensive refurbishment.

Paul Infield,
chairman,
Wandsworth Prison Board of Visitors,
5 Paper Buildings,
London EC4Y 7HB
UK

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Private Sector Development Group, World Bank
Mr. Yavuz CANEVİ, Chairman of YASED

AND OTHER SPEAKERS INCLUDING
H.E. Recai KUTAN, Minister of Energy and Natural Resources
H.E. Ömer BARUTÇU, Minisrer of Transportation
H.E. Cevat AYHAN, Minister of Puhlic Works and Settlement
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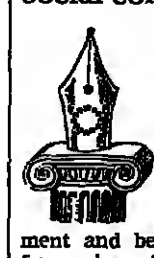
Europa · Dominique Moïsi

New vision of the future

The EU can offer a happy compromise between economic ambitions and social concerns



On Sunday, more then 40,000 workers from around Europe marched through Brussels demanding ection on unemployment and better protection for workers. They were protesting at the decision to close the Renault plant at Villevoorde in Belgium – in particular, the failure to discuss the closure in advance with the employees.

As they marched on the European Union headquarters, economic and political leaders from Europe, the US and Asia gathered in Berlin at the Tonbach round-table conference to discuss the ethical consequences of globalisation for multinational companies.

A text for the businesa leaders in Berlin might have been the prescient remarks made more than e century ago by Count Cavour, the fether of Italian unification: "Reforms made in time do not weaken authority. They strengthen it and destroy the revolutionary spirit."

The choice of the theme for the conference reflects two contemporary trends: the growing importance of business in the life of nations as the role of the state and churches declines; and the rediscovery of the social dimension of economic growth. The participants reacted to these trends in ways that emphasised their cultural and geographic origins as much as ideological divisions.

For the Americans, the only answer to the challenge of finding a social dimension was a combination of individualism and obligation. Reared in a Puritan tradition, they could see no alternative to the ethic of individualism. While they recognised the residual role of government, they saw the enlightened generosity of successful individuals as the only successful redistrihution mechanism.

For the Asians, the very notion of a global ethic for a global world – called for by Hans Kung, the Swiss-born theologian – sounded suspiciously like an attempt by the decaying west to slow the irresistible rise of the Asian-Pacific economies.

They saw the west as hypocritical, with a dual standard of morality on human rights – much more lenient, for example, on the behaviour of oil-rich middle eastern autocracies than on nascent Asian democracies.

For the Europeans, by contrast, the need for e new ethical revival in an era of globalisation appeared fundamental. But is this interest simply a reflection of the weakness of e slowly decaying Europe which has found itself unable to keep up with the creativity and joh growth of the US? In other words, is the demand for more ethical corporate behaviour a protective strategy against an outside world marching relentlessly ahead with economic growth?

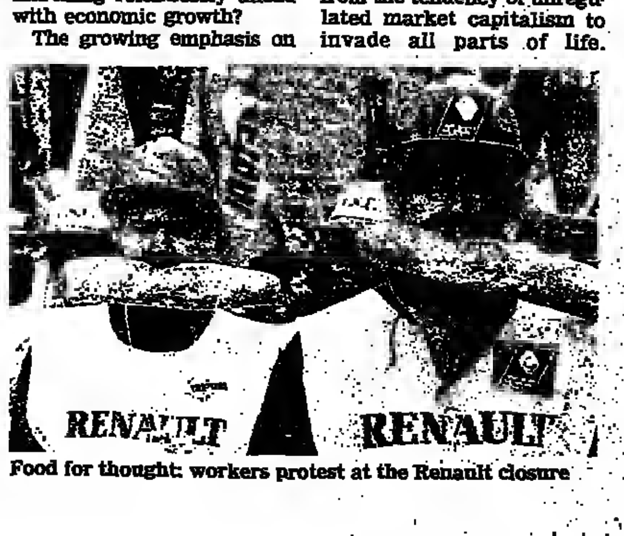
The growing emphasis on social and moral concerns may simply be a sign of a new cycle marking the end of the ultra-liberal fashion of the Thatcher years.

Confronted with the rising risks of a social explosion and aware of their growing power and importance, multinationals are reconsidering their moral and social role. They are starting to realise that markets cannot continue to rise without serious consequences when shareholders celebrate the laying-off of workers.

At the same time, one should not forget, to quote Milton Friedman, that "the social responsibility of business is to increase its profit". By their innovative, creative qualities, multinationals fulfil their social role of stimulating ectivity – hut they cannot perform the role of Mother Theresa of Calcutta.

That necessary social role can be provided only by the state. It will have to be reinvented on a more modest scale – there is no going back to the welfare state of old.

But while too much social protection has nearly killed the notion of social protection, the state remains the only body that can protect the weakest, poorest, least dynamic sections of society from the tendency of unregulated market capitalism to invade all parts of life.



Food for thought: workers protest at the Renault closure

Part of the solution for Europeans lies in Europe itself. The EU may be seen by the workers marching in Brussels, Paris and Berlin as the source of their problems and the ultimate cause of unemployment. But it is also their only source of hope thet a happy compromise can be discovered between economic growth and social concerns.

In the long run, the European model may prove to be more stable than Asia'e unconstrained drive for economic growth or the roller-coaster ride of the US economy. The success of the economy of the Netherlands has shown it can work.

But the EU also has to be reinvented, offering citizens a positive all-encompassing vision of its future not dominated by economic or monetary ambitions. At a time of rising unemployment, the euro cannot and does not make Europeans dream.

Multinationals cannot take on the ethical responsibilities of the state or churches, but nor can they neglect the ethical and social consequences of their actions. Tolerance and respect for human dignity are not the criteria hy which business performance is assessed.

Corporate thinking is bound to be dominated by Darwinism and survival of the fittest more than the philosophy of brotherly love of Saint Francis of Assisi. And yet the need to increase competitiveness in a phase of rapid structural transition must be balanced by the concern for social solidarity.

If you push men to despair, societies explode. The new centrality of multinational corporatione should not obscure the ultimate supremacy of politics.

The author is deputy director of the Paris-based Institut Français des Relations Internationales and editor of Politique Etrangère. He writes here in n personal capacity.

ARTS

High Noon in Hollywood

Nigel Andrews remembers the film director Fred Zinnemann

The deaths of the famous are often said to "close chapters" in history. But the death of film-maker Fred Zinnemann, the man who made *High Noon*, *From Here To Eternity* and other thoughtfully crafted perennials, may give movie-lovers a chance to re-open the book on e key part of American history and Hollywood's response to it.

I met Zinnemann only once, in his London office near Berkeley Square. But I felt I instantly recognised in his thin, austerely sculpted features the man who guided Gary Cooper through his taut morality western, just as I sensed in that gentle, husky Viennese drawl the the man who gave *film noir* a human face in movies like *Act Of Violence* and *The Men*.

Here was an emigrant European born to political upheaval and debate, with a gift for smuggling their nuances and subtle tensions into popular cinema. His best-known later films – *A Man For All Seasons*, *Julia*, *The Day Of The Jackal* – all revolved around some political tremor real or threatened, from a planned assassination in Paris to an ecclesiastical dust-up in Tudor England.

But Zinnemann's early films were better, smaller, finer. And they came out of a Hollywood experiencing its own political crisis. "In 1947 the studios had to be divested by their investors because of monopoly laws," he explained. "Loew's the cinema chain could no longer run MGM and so on. So the studios could not afford to keep up longterm contracts, and agents and independent producers became more powerful.

"That made the content of the pictures different. You no longer had to accept the moguls' world view, and so Stanley Kramer (producer), Carl Foreman (writer) and I could make a film about paralysed war veterans that was realistic and didn't have to have a happy ending – *The Men*. And we could cast an unknown young theatre actor in the lead in his first film, Marlon Brando."

The Method became a famous component of the new realism and Zinnemann has a theory about how it crept into mainstream cinema. "After tha war, there was an amazement in America at seeing films like *Rome Open City* and *Bicycle Thieves*. That kind of reality was an eye-opener and the studios went along with it. They brought in a generation of New York theatre-trained actors, like Brando and Steiger, who had studied with Lee Strasberg and learned about Stanislavsky."

Yet the 1950s was a strange, divided movie decade. Sometimes it was raw and realistic, at others squeaky-clean and Eisenhowerian. And an actor, Zinnemann discovered, could prove to be the wrong horse for a particular course. "When I directed *Oklahoma!*, I cast Rod Steiger as Judd, who is a thoroughly bed man and everyone is supposed to cheer when he dies. But Steiger played the part not as a villain but as a mental invalid. I found it fascinating, hut it ceased to be a character in a musical. And when the town rejoiced it didn't seem quite human!"

There was the same mismatch in reverse, at least in theory, when Zinnemann cast Gary Cooper in *High Noon*. Cooper was Hollywood's ideal hero for the Old West. Now he was to play the beleaguered sheriff in an anguished and hy legend anti-McCarthyist western.

Zinnemann bristled when I mentioned this legend. *High Noon*, for him, was not an allegory about political witch-hunts, although a thousand commentators have since claimed that it is, not least the movie's own writer Carl Foreman, who was persecuted by the House UnAmerican Activities Committee.

"They suspected Foreman of Communist sympathies. I'm not political, but I think witch-hunting is wrong, so I supported Foreman. But I reject the speculation that *High Noon* is about Korea, or McCarthy, or any other political storm of the time.

"The film could be interpreted many ways. As a story of people under pressure, or as a demonstration that character is destiny, or as I see it, a film about a national emergency, about democracy in peril. Everyone is afraid, hut one person has courage. It's about a moment of decision, which is why yon find the phrase everywhere today as a proverbial saying. When America entered the Gulf War, the headlines called it the country's 'bigh noon'."

But Zinnemann still came under ideological fire for the film's ending. "I was told that Ward Bond (Hollywood's leading self-appointed Communist-hunter with John Wayne) thought *High Noon* was subversive because at the end Cooper throws his badge away. I was amazed. It was not propaganda, it was part of the man's character!"

"Many people on the far left were involved in making the picture," he said. "But so what? I feel the same about them as I do about casting Vanessa Redgrave in *Julia*, for which she won an Oscar. I don't like her politics and if I met her on the barricades I'd sboot ber. But as an actress she's marvellous."

Zinnemann looked back on the postwar era, from V.E. Day to Kennedy's *assassination*, as a time that epitomised popular cinema's double character. On one hand, movies clearly *did* reflect political unease even in the reputedly bland late 1950s.

"The exection of the Rosenbergs (for passing atomic secrets) was a turning point. Fear of Russia suddenly becamc acute, because everyone realised they had the bomb. And the Cold War lasted rigbt into the 1960s."

At the same time, Hollywood still wbeeled ont its escepist machinery and even invented new gewgaws. "They were waking np to the threat from TV, so there were all these novelties. Cinerama, 3D, and CinemaScope, that peculiar process that looks like a Band-Aid.

"It was interesting but pointless. Most of them vanished. Because ultimately you don't make movies to fit a screen, it's the other way around. Films are about themes and stories, and even in Hollywood the content will always win out in the end."

Theatre

New light cast on "Art"

Do we derive our characters from our own essence alone? Or do our characters reflect other people around us? These are perhaps the most serious questions behind *"Art"*, the comedy by Yasmina Réza which bas taken umpteen countries by storm and whose West End premiere last October, directed by Matthew Warchus, was one of the highlights of a superb theatrical autumn. A light and elegant play, it succinctly *charts how the friendships* between three men come unstuck, strips bare the dismaying power-struggles between the three men, and – so delicately – poses painful philosophical questions about human nature in a social context.

"Art" is certainly a good enough play to be worth seeing more than once. I write immediately after seeing a new West End cast – the taut intimacy of David Haig, Anton Lesser and Mark Williams now replacing the grand intensity of Albert Finney, Tom Courtenay, and Ken Stott – and I like the fact that this time round I laughed less and saw more. How absurd and how poignant friendship is: that it can founder on single details – because these details reveal our values, because our values reveal where we will not compromise, and because where we will not compromise reveals where we have nothing in common. And so we struggle or separate.

The trouble between Marc, Serge, and Yvan all comes to the surface when Serge buys, for 200, 000 francs, an all-white painting.

In a lightly devastating scene that is the play's climax, Serge attacks Marc's partner Paula; and they peel away each other's arguments until Marc has made Serge describe bim as calculating, fossilised, and life-denying, and Serge has mada Marc reveal his own need to control their friendship. And both of them pick on Yvan, attacking his character and his life as severely as they have each other's. When Yvan quotes his therapist's motto about the influence of other people upon one's own character, Serge and Marc ridicule both *therapist and Yvan; and yet soon* they are saying the same thing in different words.

Some people have wrongly assumed that *"Art"* means to satirise the absurdities of modern art. No way. Not only has Mark Thompson designed a white painting that actually lets us appreciate what Serge sees in it (it really does have texture and dynamics, and it soon ceases to seem monochrome), *Réza*'a play also makes the painting a multi-faceted image of the characters of, and friendships batween, these three men: to Marc, it is a blank canvas that he resents until he can exercise his own control over it; to Serge, it is an open-sesame of intellectual and *aesthetic* sensation; to Yvan, it changes according to which way the wind between the other two men is blowing.

"Art", a play both delightfully neat and disturbingly acute, is at times a little too slick. The most famous episode in the play, Yvan's long speech about wedding invitations, is too obviously a comic aet piece; and there are a few other brittle passages. I can imagine *"Art"* working well with greater formality of acting style, as if given something of the tension of Racine or Pinter. But the only real flaw in Warchus's is the alick music (by Gary Yershon) between scenes.

In the new cast, Mark Williams – playing Yvan, the hardest role – needs clearer diction (and lacks Ken Stott'a definitive, hilarious blend of blandness and anguish), though he makes plenty from Yvan's vulnerable normality. The smiling tension which David Haig brings from the first to the jovial, controlling Marc is excellent (you hardly notice when he stops smiling, but you feel it); and Anton Lessar, wbo becomes more and more obviously one of our superlativa actors with every new role, brilliantly reveals the refined nervous system of Serge, at once cool and febrile. The previous, stellar trio brought Titanic power to the play; bnt these three illumine its force-field more completely from within.

Alastair Macaulay

Wyndham's Theatre, London WC2

An acute look at friendship: Mark Williams, Anton Lesser and David Haig

Alastair Muir

Theatre/Ian Shuttleworth

One-to-one friction

Whilst some of Bernard Shaw's plays remain disturbingly salient a century on – a notable example being *Widowers' Houses*, currently playing at the Glasgow Citizens – *Misalliance* is not among their number. Attempts made to dress up this co-production by Birmingham Rep and Theatr Clwyd as a Freudian dream are unconvincing.

What remains is part-farce, part-cbaracteristic Shavian debate on class and sex roles. Indeed, the bulk of the play consists of a series of dnologues, from young Johnny Tarleton's initial tussle with his sister's wimpish suitor, Bentley, through sister Hypatia's own encounters with Bentley's father, Lord Summerhays, and Joey Percival (an airman wbo has literally dropped in), to their father's failed attempt to woo Joey's improbably exotic companion, Lina Szczepanowska, and confrontation with an overwrought young socialist intruder. Periodically, Shaw broadens his canvas, but primarily he is concerned with one-to-one friction between individual types.

Director Caroline Eves and her cast make stirling efforts to animate the piece. Nick Waring rumbles as mightily, but cannot be tha Johnny wbom Bentley describes as "all body and no brains". As Bentley bimself, Conrad Hornby oscillates between young fogeyishness and outright infantilism. Abigail Thaw's slavic Lina is a purring, Kohl-eyed Edwardian dominatrix, and Paul Humpoletz and Anita Carey play Mr and Mrs Tarleton as characters from a J.B. Priestley comedy: prosperous tradesmen must, it seems, come from Yorkshire. Paul Cbahidi turns in a fine comic performance as Impaasioned Mr Gunner hut is a little out of place as the sole *farceur*.

Tbe principle contradiction explored by the play – that men feel duty-bound to "protect" and circumscribe women whilst subconsciously yearning to be bested by them – is presented in a variety of facets without being substantially developed. Lord Summerhays and Hypatia speak candidly to each other as equals but lack either the dramatic or intellectual fibre of Shaw's Caesar and Cleopatra.

Eves and her company sustain tbe entertainment level on David Roger's buge greenhouse set but it is apparent that this is no more than a robust veneer upon one of Shaw's less enduring tbeatrical essays on society.

Birmingham Repertory Theatre until April 5 (0121-236-4455)

Obituary

Willem de Kooning

Willem de Kooning, the Dutchman who arrived in Amarica a stowaway and ended as its wealthiest painter, has died at the age of 92. As a leading member of the abstract expressionist movement be belped his adopted country achieve dominance in art after the aecond world war. Among his most enduring images were the Women paintings – mighty females emerging defiantly from bectic maelstroms of colour.

De Kooning was born in 1904 in Rotterdam. He left school at 12 to be apprenticed to a commercial art firm, learning skills such as lettering and wood-graining. He completed his studies at the Rotterdam Academy in 1925 and made his surreptitious trip an the SS Shelley the year after. From a Dutch seamen'a home in Hoboken, New Jersey he worked as a house painter. When be got his first job doing skilled art work the pay compared so badly that he went back to painting bouses. His ambivalence to being a professional artist continued until his 30s.

During this period be met his future wife, Elaine Fried, and made friends with other struggling artists. De Kooning and his circle admired the abstract or surrealist-inspired work of European painters sucb as Miró, Klee, Kandinsky or Picasso.

In the 1940s de Kooning's work divided between abstracts and portraits. But in the 1950s, just as Jackson Pollock, Franz Kline and other abstract expressionists were convincing the world of abstraction, tbe Women series came as a bombshell with its re-introduction of the buman figure.

After it was bougbt by New York's Museum of Modern Art, it became one of tbe moat widely reproduced works of the 1950s. When in 1954 the millionaire Huntingdon Hartford publisbed an open letter condemning abstract artists and de Kooning in particular, his fame was assured.

His synthesis of representation and "gestural" brushstrokes, drips and marks influenced later artists sucb as Jasper Johns and Robert Rauscbenberg. De Kooning kept up this tension between abstract and non-abstract throughout his career – in the fourth and fifth series of Women in the early 1960s, tbe landscapes of the late 1960s and the sculptures of the 1970s.

Towards the end of his life be developed a gentler, looser style wbicb was widely admired and compared to the late work of painters such as Titian, Ruhens or Matisse. The works were painted while be was suffering from Alzheimer's dlseaae and some claimed they could not he classed aa masterpieces. The arguments may bave been more abont financial than aesthetic values. The reputation of the paintings is likely to survive them.

Alex Skorecki

INTERNATIONAL ARTS GUIDE

AMSTERDAM

CONCERT
Concertgebouw Tel: 31-20-6718345
● Gustav Leonhardt: the harpsichordist/organist performs works by Kerll, Buxtehude, Kuhnau, Böhm, Fischer, J.S. Bach and Weckmann; Mar 24

■ ANTWERP

EXHIBITION
MUHKA - Museum van Hedendaagse Kunst Antwerpen Tel: 32-3-2385960
● Ann Veronica Janssens: display of work by the British sculptor who uses industrial material to create minimalist works; to Mar 30

■ BERLIN

CONCERT
Konzerthaus Berlin Tel: 49-30-203090
● Werner Scholl: the pianist performs works by Bach and Schubert; Mar 23
Philharmonie Berlin - Grosser Saal & Kammermusiksaal Tel: 49-30-2614383
● Orchestre de Paris: with conductor Pierre Boulez, pianist Daniel Barenboim and violinist Itzhak Perlman perform works by Stravinsky and Berg. Part of the Festtage 1997; Mar 24
Staatsoper Unter den Linden Tel: 49-30-20354438
● Peter Schreier and Daniel Barenboim: the tenor and pianist perform works by Schoenberg and Schubert. Part of the Festtage 1997; Mar 23

■ BONN

EXHIBITION
Kunst- und Austellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
● Renzo Piano: exhibition examining the work of architect Piano, whose previous projects include the Centre Pompidou in Paris. The display focuses on eight projects, *showing the* different procedures involved from initial concept to finished building; to Apr 6

■ COLOGNE

EXHIBITION
Wallraf-Richartz-Museum Tel: 49-221-2212372
● Tiepolo und die Zeichenkunst Venedigs im 18. Jahrhundert: exhibition featuring drawings, sketches and designs by the Venetian artist Giovanni Battista Tiepolo (1696-1770), his sons and followers. The main focus of the exhibition is the period in which Tiepolo worked on the decorations for the palace of the archbishop at Würzburg. Also featured in the exhibition are drawings by other Venetian masters, including Ricci and Guardi; to May 11

■ FRANKFURT AM MAIN

CONCERT
Alte Oper Tel: 49-69-1340400
● Junge Deutscha Philharmonie: with conductor Lothar Zagrosek and soprano Claudia Barainsky perform works by Berg, Mozart *and Beethoven; Mar 23*

■ HELSINKI

EXHIBITION
The Finnish National Gallery - The Museum of Foreign Art, Sinebrychoff Tel: 358-9-17336360
● The Tiger's Gaze - Traditional Korean Painting: exhibition examining the arts of Korea from the 18th century to the present day. Incuded in the display are a number of landscape panoramas made up of paper scrolls; to May 5

■ LAUSANNE

EXHIBITION
Fondation de l'Hermitage Tel: 41-21-3205001
● Du Greco à Mondrian: exhibition of the private collection of Rolf and Margit Weinberg, consisting of 80 paintings, drawings and objects. On display are works by artists including Toulouse-Lautrec, Seurat, Degas, Cézanne, Gauguin and Picasso; to Apr 27

■ LONDON

CONCERT
Queen Elizabeth Hall Tel: 44-171-9210600
● Oxford Orchestra da Camera: with conductor Malcolm Rudland perform works by Warlock and Bartók; Mar 24
Royal Festival Hall Tel: 44-171-9604242
● London Philharmonic Orchestra: with conductor Roger Norrington and soprano Felicity *Lott perform works* by Haydn and Britten; Mar 24

EXHIBITION
British Museum Tel: 44-171-6361555
● Japanese Art in the British Museum: exhibition featuring more than 500 pieces of Japanese porcelain recently donated to the Museum; to Apr 20
National Gallery Tel: 44-171-7472885
● London's Monets: exhibition gathering together all the Monets in London public collections and featuring 25 works by the artist; spanning his entire career, from 'La Pointe de la Hève, Sainte-Adresse' (1864), to the series of large 'Water Lilies' painted after 1916; to May 5

■ MADRID

EXHIBITION
Museo Nacional Centro de Arte Reina Sofia Tel: 34-1-4675062
● Juan Soriano: Retrospectiva: 1937-1997: retrospective of work by the Mexican artist, featuring 45 oil paintings, 12 bronze sculptures and 50 drawings; to May 2

■ MUNICH

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Tanz in der Moderne - Von Matisse bis Schlemmer: exhibition focusing on dance as a source of inspiration in the visual arts at the beginning of the 20th century. Featured are some 150 works by 37 artists, including Matisse, *Kandinsky, Severini, Sonia* Delaunay, Archipenko and Van Doesburg; to Apr 27

■ NEW YORK

EXHIBITION
The Metropolitan Museum of Art Tel: 1-212-879-5500
● The Glory of Byzantium: e major exhibition of the art of the middle period of the Byzantine Empire (mid-9th to the mid-13th centuries), when Byzantium set a standard of Imperial elegance for Western Europe and tha Islamic east. The exhibition displays works of the Middle Byzantine era, both from the capital of Constantinople and from other regions of the empire, and aims to demonstrate their influence on works of the empire's satellite states, including Russia, Georgia, Armenia and Serbia; to Jul 6

OPERA
Metropolitan Opera House Tel: 1-212-362-6000
● Faust: by Gounod. Conducted by Julius Rudel, performed by tha Metropolitan Opera. Soloists includa Renée Fleming, Richard Leech and Dmitri Hvorostovsky; Mar 24

■ PARIS

CONCERT
Théâtre des Champs-Elysées Tel: 33-1 49 52 50 50
● Natalia Gutman and Alexei Lubimov: the cellist and pianist perform works by Beethoven and Schumann; Mar 23

EXHIBITION
Galerie Nationale du Jeu de Paume Tel: 33-1 47 03 12 50
● Jaume Plensa: display of works produced by the sculptor between 1991 and 1996. Plensa uses iron in his work but in a minimalist style that allows natural resources, particularly light, to play a major role in the compisition of his pieces; from Mar 25 to Mey 18

■ VIENNA

OPERA
Wiener Staatsoper Tel: 43-1-514442960
● Götterdämmerung: by Wagner. Conducted by Runnicles and performed by the Wiener Staatsoper. Soloists include Eaglen, Schnitzer and Murray; Mar 23

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Philip Stephens

An 18-year burden

Many in the Tory party have grown contemptuous of those they purport to represent and the voters sense it

In tbe nature of these things, the last House of Commons duel before the general election between John Major and Tony Blair was something of a disappointment. There was bitterness aplenty, and the promise therein of a particularly nasty election campaign. By my scorecard, Mr Blair ended well ahead. Mr Major cannot win when the subject is political sleaze.

Yet the bad-tempered mood in Britain's cockpit of democracy told little of the seismic shift in politics which the opinion polls predict with such unshakeable certainty. The government's defeat is so widely assumed as to blind the nation to its significance.

The Commons was a more civilised place back in April 1979. In those deys the television cameras were barred. The politicians played, literally, to the gallery. James Callaghan's valedictory exchange with Margaret Thatcher gave little hint of the revolution which was to follow the defeat of the Lahour government. On the eve of victory, she did nothing more than decry a steep increase in domestic rates. It was if she knew the occasion was irrelevant. In the world beyond Westminster, the people had made their decision.

So it must seem again to Mr Major and his ministers. This was to be the week of the long-promised fightbeck. The election announcement handed the prime minister the initiative. He was on his soapbox within hours. The news on the economy was to make his case. It was good news.

I have given up calculating how many times the government has massaged the official count of unemployed henefit claimants. But the economic recovery has brought a sizeahle, genuine reduction. The benign effect of liberalisation and deregulation is denied by only the oldest of Old Labour diehards. Economic growth remains strong and Inflation subdued, though Mr Major and his ministers tempt the gods when they talk of a hoom without a succeeding bust.

To Kenneth Clarke, the nation, maddeningly, is not listening. The chancellor endeavoured this week to pnt the government's case. Mr Clarke, who treats the voters as grown-ups, Is ready to admit the mistakes and broken promises after the 1992 election. But he poses a question. How would Lebour have managed the economy over the same five-year period? Would it have taken the hard decisions needed to restore the present, favourable conjuncture?

It is a good question. But within it lies Mr Major's essential problem. He carries the hurden of 18 years, not of five. Many in his party have grown insolent in office, contemptuous of those they purport to represent. The voters sense it.

Few outside Westminster grasp the detail of the charges in the so-called cash-for-questions affair. The damage comes from the way it nourishes the puhlic perception of arrogant indifference. A parliamentary timetable calculated to postpone publication of Sir Gordon Downey's report into alleged payments to Tory MPs seems to confirm the suspicion. And Mr Major's refusal to reconsider does no service to the tarnished reputation of politics.

> Too few on Mr Blair's side show real understanding of the gulf between the easy rhetoric of opposition and the harsh reality of power

This distance between government and governed is highlighted too hy Tory divisions over Europe. Malcolm Rifkind, the foreign secretary, is stoking up the embers of party dispute over a single currency. The Emu enterprise, he said during a visit to The Hague this week, was as dangerous as it was divisive.

The Netherlands was the final stop on a four-nation European tour during which Mr Rifkind chose to speak not to Britain's partners but to the sceptics on the Tory backbenches. Each time his carefully calihrated ecorn stretched and distorted the official cabinet line towards the single currency. He has lost the trust of Mr Clarke. Perhaps that is the aim. The foreign secretary, like several in the cabinet, is anticipating the Tory leadership contest which would follow an election defeat.

So Mr Major has good reaeon to try to detach himself from his party for the next six weeks. The decision to wage e long campaign until May 1, though, is a huge gamble. If the opinion polls show Labour's lead (now 20 points or more) narrowing fast, the tactic will seem bold. But if not? Others in his party are conjuring up another image: that of e lonely figure toppling from his soapbox in some half-deserted market square. Nice people, today's Tories.

For Mr Blair, the biggest danger is a complacency which is running fast towards hubris. Each week he enjoins colleagues to take nothing for granted. The swaggerers ignore him. Thus at a Westminster party earlier this week, one of Labour's frontbench spokesmen affected modesty: it would be a smallish landslide, he offered. The swing to Labour on polling day would not be more than 10 per cent. He would be content with a parliamentary majority of 70 or 80.

There was no intimation of the fearful challenge that government will present to a party which has known nothing bnt opposition for a generation. One should not draw too much from such a single chance encounter. And some in the shadow cabinet, like Gordon Brown and David Blunkett, have prepered assiduously for government. But too few on Mr Blair's side show real understanding of the gulf which lies between the easy rhetoric of opposition and the harsh reality of power.

The style of the Labour leader's campaign is calculated to redress the balance. Triumphalism is out. For the moet part he will eschew mass rallies. Instead his journey round Britain will be built around a series of encounters with smallish groups – of undecided voters and of professionals such as teachers and nurses. There will be serious lectures, interspersed with meetings of business leaders.

The manifesto will be similarly soher. Those who have read the draft say it is rather boring. But then Mr Blair is fond of reminding colleagues that the voters did not desert them at the last four elections because they were insufficiently exciting.

Playing it safe is no guarantee. Labour is now the government-in-waiting. It is unaccustomed to the hard questioning that position promises. Its spending and tax plans will be more seriously tested. As polling day approaches, the voters will think hard ebout life under a new government. Some will be excited, many will be wary. But it will take an earthquake to return Mr Major to the prime minister's place at the Commons despatch box.

PRIME MINISTRY OF TURKISH REPUBLIC
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H.E. Necmettin ERBAKAN, Prime Minister

KEYNOTE SPEAKERS
H.E. Fehim ADAK, Minister of State
H.E. Ufuk SÖYLEMEZ, Minister of State
Jean-François Richard, Vice President, World Bank
Private Sector Development Group, World Bank
Mr. Yavuz CANEVİ, Chairman of YASED

AND OTHER SPEAKERS INCLUDING
H.E. Recai KUTAN, Minister of Energy and Natural Resources
H.E. Ömer BARUTÇU, Minisrer of Transportation
H.E. Cevat AYHAN, Minister of Public Works and Settlement
H.E. Bahattin YÜCEL, Minister of Tourism

CLOSING STATEMENT
H.E. Tansu ÇİLLER, Deputy Prime Minister

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LETTERS TO THE EDITOR

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Outward investment from Hong Kong needs to move up agenda

From Mr Michael Littlechild and Mr Leo Martin.

Sir, John Ridding ("HK manufacturers seek a higher profile", March 14) suggests that there is a feeling in Hong Kong that the territory needs "an industrial policy to bolster manufacturing". However, it is misguided to see Hong Kong'e switch to services as a wholesale disengagement from manufacturing.

Many of the service activities in Hong Kong are eervice functions controlling manufacturing activities in sonthern China and the wider region – through management of operations, design, marketing and so forth.

Having worked with the government over the past two years to help develop Hong Kong as a world-class service centre, we believe the switch to higher value-added services is both inevitahle and welcome.

If anything, the challenge for Hong Kong is to make its service activities grow more rapidly. In a manufacturing economy this can be achieved through companies upgrading their technology and training. In a service economy this is harder to achieve because productivity gains through technology are relatively harder to obtain.

Hong Kong therefore needs to encourage service companies not only to raise their productivity through technology and training hut also to put their lower value-added functions outside Hong Kong and to invest continuously in higher value-added operations.

This is the way for Hong Kong to huild on its successful economy – with its companies controlling manufacturing operations throughout the region and keeping the high value-added service functions at home. Supporting outward investment from Hong Kong is just coming on to the agenda, as it should.

Michael Littlechild and
Leo Martin,
KPMG,
PO Box 486,
1 Puddle Dock,
London EC4V 8PD
UK

BBC has gained an unfair advantage

From Mr Paul Brown.

Sir, Your editorial ("BBC's challenge", March 19) regarding the future governance of the BBC hit the spot.

However, those fearing for the future of the BBC should bear in mind the astonishing advantages – guaranteed by the government – that the BBC has over its UK commercial hroadcasting competitors.

The BBC television licence fee funds two terrestrial TV services, five national radio services and about 40 local and regional radio services, all promoting each other like mad. These flexible and maseive brand, archive and technical resources, which UK legislation prevents any UK commercial broadcaster from achieving, form a very substantial platform from which the BBC can involve itself in commercial media ventures of all kinds.

Sir Christopher Bland and his executive, who now pretty mnch all come from the commercial world, are playing a very skilful game. They have convinced legislators that it is possible to be a little bit commercially pregnant – a clear hut convenient nonsense – and can now plead to be treated as a multimedia, commercial broadcasting group when it suits their interests and e public service broadcaster when it does not.

We in commercial radio recommend that your readers should worry less about so-called BBC vulnerability and more about its strong, largely unrestricted growth.

Paul Brown,
chief executive,
Commercial Radio Companies Association,
77 Shaftesbury Avenne,
London W1V 7AD
UK

Airline sick bags are not to be sniffed at

From Ms Victoria Younghusband.

Sir, I have never collected airline sick bags ("Obscure objects of desire", March 17), though I now appreciate that I have obviously missed lots of opportunities through failing to examine the sick bags of some obscure, and not so obscure, airlines in Asia.

However, I could not resist keeping a towelette handed out by China Northern on a flight from Beijing to Dalian in April 1995 from Shenyang Aviation Healthyware Factory, the English version of which claims (sic): "This product can thoroughly kill verus of hepatitis, venereal disease and lymphocyte in one minute, kill staphy lococci, bacterium coli, tubercle bacilli and fungas in five seconds."

Victoria Younghusband,
24 Hasker Street,
London SW3 2LG, UK

Slopping out line an injustice to Wandsworth

From Mr Paul Infield.

Sir, Nigel Spivey's juxtaposition of his "supping up" with prisoners' "slopping out" in nearhy Wandsworth Prison ("Getting to the bottom of the prohlem in the County Arms", March 15/16) is neat, but false.

Slopping out ended in Wandsworth at the end of February 1996 when B Wing was closed for extensive refurbishment.

Paul Infield,
chairman,
Wandsworth Prison Board of Visitors,
5 Paper Buildings,
London EC4Y 7HB
UK

MMC verdict borne out by fall in prices

From Mr E. A. Wallis.

Sir, The Monopolies and Mergers Commission's view on the electricity generation market ("UK power", Lex, March 19) was spelt out in a 270-page report at the end of a four-month inquiry that took evidence from a wide range of interested parties and expert witnesses.

The MMC concluded that, with continuing new entry and the disposal by PowerGen and National Power of five power stations to Eastern Group, the trends in the electricity generating market would produce a broadly satisfactory competitive environment from 1997.

Since the report was published, not only has competition in the electricity trading pool driven prices down hy about 7 per cent in real terms, but also the proportion of pool prices set hy PowerGen over the crucial winter period has fallen by a quarter compared to last year. Therefore, the evidence rather seems to indicate that it is the MMC – not the Lex column – that got it right.

E. A. Wallis,
chairman,
PowerGen,
Westwood Way,
Westwood Business Park,
Coventry CV4 8LG, UK

Ticket to rail

From Ms Elizabeth M. Balsom.

Sir, Like many of South West Train's disgruntled passengers, I handed the company several hundred pounds at the beginning of January in the belief that I was huying access to a reliable train service for the whole year.

Rather than fining the company ("Privatised rail group faces £1m ultimatum", March 15/16), the regulator should consider prosecuting it for obtaining money hy deception or changing the parent company's name from Stagecoach to Dick Turpin. In my view Stagecoach has engaged in nothing other than highway robbery.

Elizabeth M. Balsom,
16 Coalecroft Road,
London SW15 6LP, UK

Europa · Dominique Moïsi

New vision of the future

The EU can offer a happy compromise between economic ambitions and social concerns

On Sunday, more then 40,000 workers from around Europe marched through Brussels demanding ection on unemployment and better protection for workers. They were protesting at the decision to close the Renault plant at Villevoorde in Belgium – in particular, the failure to discuss the closure in advance with the employees.

As they marched on the European Union headquarters, economic and political leaders from Europe, the US and Asia gathered in Berlin at the Tonbach round-table conference to discuss the ethical consequences of globalisation for multinational companies.

A text for the businesa leaders in Berlin might have been the prescient remarks made more than e century ago by Count Cavour, the fether of Italian unification: "Reforms made in time do not weaken authority. They strengthen it and destroy the revolutionary spirit."

The choice of the theme for the conference reflects two contemporary trends: the growing importance of business in the life of nations as the role of the state and churches declines; and the rediscovery of the social dimension of economic growth. The participants reacted to these trends in ways that emphasised their cultural and geographic origins as much as ideological divisions.

For the Americans, the only answer to the challenge of finding a social dimension was a combination of individualism and obligation. Reared in a Puritan tradition, they could see no alternative to the ethic of individualism. While they recognised the residual role of government, they saw the enlightened generosity of successful individuals as the only successful redistrihution mechanism.

For the Asians, the very notion of a global ethic for a global world – called for by Hans Kung, the Swiss-born theologian – sounded suspiciously like an attempt by the decaying west to slow the irresistible rise of the Asian-Pacific economies.

They saw the west as hypocritical, with a dual standard of morality on human rights – much more lenient, for example, on the behaviour of oil-rich middle eastern autocracies than on nascent Asian democracies.

For the Europeans, by contrast, the need for e new ethical revival in an era of globalisation appeared fundamental. But is this interest simply a reflection of the weakness of e slowly decaying Europe which has found itself unable to keep up with the creativity and joh growth of the US? In other words, is the demand for more ethical corporate behaviour a protective strategy against an outside world marching relentlessly ahead with economic growth?

The growing emphasis on social and moral concerns may simply be a sign of a new cycle marking the end of the ultra-liberal fashion of the Thatcher years.

Confronted with the rising risks of a social explosion and aware of their growing power and importance, multinationals are reconsidering their moral and social role. They are starting to realise that markets cannot continue to rise without serious consequences when shareholders celebrate the laying-off of workers.

At the same time, one should not forget, to quote Milton Friedman, that "the social responsibility of business is to increase its profit". By their innovative, creative qualities, multinationals fulfil their social role of stimnlating ectivity – hut they cannot perform the role of Mother Theresa of Calcutta.

That necessary social role can be provided only by the state. It will have to be reinvented on a more modest scale – there is no going back to the welfare state of old.

But while too much social protection has nearly killed the notion of social protection, the state remains the only body that can protect the weakest, poorest, least dynamic sections of society from the tendency of unregulated market capitalism to invade all parts of life.

Food for thought: workers protest at the Renault closure

Part of the solution for Europeans lies in Europe itself. The EU may be seen by the workers marching in Brussels, Paris and Berlin as the source of their problems and the ultimate cause of unemployment. But it is also their only source of hope thet a happy compromise can be discovered between economic growth and social concerns.

In the long run, the European model may prove to be more stable than Asia's unconstrained drive for economic growth or the roller-coaster ride of the US economy. The success of the economy of the Netherlands has shown it can work.

But the EU also has to be reinvented, offering citizens a positive all-encompassing vision of its future not dominated by economic or monetary ambitions. At a time of rising unemployment, the euro cannot and does not make Europeans dream.

Multinationals cannot take on the ethical responsibilities of the state or churches, but nor can they neglect the ethical and social consequences of their actions. Tolerance and respect for human dignity are not the criteria hy which business performance is assessed.

Corporate thinking is bound to be dominated by Darwinism and survival of the fittest more than the philosophy of brotherly love of Saint Francis of Assisi. And yet the need to increase competitiveness in a phase of rapid structural transition must be balanced by the concern for social solidarity.

If you push men to despair, societies explode. The new centrality of multinational corporatione should not obscure the ultimate supremacy of politics.

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The trouble with bananas

The European Union has long defended its preferential banana import regime as essential to the welfare of economically vulnerable producer countries in the Caribbean. But a World Trade Organisation disputes panel this week placed the policy's future in doubt by issuing a draft finding that it breaches global trade rules. If the EU genuinely has the interests of its economic dependants in the Caribbean at heart – and wishes to stay within the law – it needs to start thinking hard about other ways to help them.

The unwieldy regime would do credit to the authors of the Common Agricultural Policy. To guarantee high-cost Caribbean bananas access to the EU market, it discriminates against producers in other developing countries, penalises consumers, and awards monopoly rents to banana marketing companies. According to the World Bank, the latter profit more from the policy than do the countries it is supposed to benefit.

If the WTO ruling is confirmed, the EU may face a stark choice. Dismantling the regime would threaten Caribbean producers with immediate hardship. Retaining it could provoke legal trade retaliation by the US and four Latin American countries which brought the WTO case. Such counter-measures would probably be directed primarily at exports by Britain and France, the regime's staunchest defenders. Opponents might also be encouraged to challenge other EU trade-and-aid arrangements, such as discriminatory sugar import quotas.

Even if the final WTO ruling goes the EU's way, the regime's days may be numbered. Since it was drawn up before the EU's last enlargement, a majority may no longer exist in the Council of Ministers to renew it. The regime's fate also hinges on the Lomé Convention, the EU's main trade-and-aid instrument, which expires in the year 2000. Any extension beyond then will depend on other WTO members' willingness to continue exempting it from the organisation's rules.

These uncertainties oblige the EU, morally and politically, to help Caribbean countries prepare for a future without the banana regime. In the short term, the EU should be ready to provide generous cash payments to offset lost income. Longer-term, it should devise a comprehensive programme to encourage Caribbean economies to diversify. That will be neither cheap nor easy, not least because preferential EU policies have helped restrict them to a mono-crop culture. The EU's commitment to equipping these countries to face – rather than shelter from – free trade will be the real test of its concern for their welfare.

The Fed's hints

Mr Alan Greenspan, chairman of the Federal Reserve, yesterday spoke as plainly about the outlook for the economy as any central banker ever does. Five days before the Federal Open Market Committee meets to consider interest rates, he stressed that when necessary the Fed would act promptly – "ideally pre-emptively" – to keep inflation low.

Mr Greenspan has said this sort of thing before. But yesterday there was a notable absence of the balancing "on the other hand" comments which usually render his opinions obscure.

The assessment the Fed must make, as he described it, is a straightforward one. Will demand continue to grow strongly, and if so will it continue to be met by strong productivity growth? "Alternatively, if strong demand is expected to persist, and does not seem likely to be matched by productivity improvement, the FOMC will have to decide whether increased pressures on supply will eventually produce ... inflationary imbalances ..."

Last summer, making a similar assessment, the Fed decided to hold its hand. This time, the balance of the argument may have shifted – not least because, as Mr Greenspan said yesterday, the forces which had kept labour costs down last year are now less in evidence. There will be a rise in the minimum wage later this year. Healthcare cost-savings are lower than in 1996. And workers are increasingly willing to overcome their fears of job insecurity and seek higher pay.

Of course, there are offsetting factors, such as a strong dollar and high consumer debt levels. On balance, however, the markets interpreted Mr Greenspan's comments as a hint of a quarter-point rise in interest rates next Tuesday.

It was striking, however, that investors' reaction was subdued. Mr Greenspan has done a good job of signalling the Fed's concerns over the past three months and market rates have already adjusted. This is one contrast with the Fed's tightening of policy in 1994, which the bond market failed to anticipate. Another contrast, as Mr Greenspan remarked last month, is that real interest rates are already significantly higher than they were in 1994.

This implies that any rate rise next week will not be the beginning of a rapid upward spiral. That belief, widely shared in the markets, explains the relaxed response to Mr Greenspan's hints. Only when there is clear evidence that rising wages are offsetting productivity gains will investors lose their cool. If the Fed indeed raises rates on Tuesday, the arrival of that moment will be further postponed.

Slow justice

The interim report yesterday by the UK parliamentary committee on standards and privileges did little to restore confidence in parliament's ability to investigate and punish corrupt MPs.

It acquits 15 of the 25 MPs under investigation in relation to "cash for questions" allegations. But after seeing more than 60 witnesses and considering 14,000 pages of evidence Sir Gordon Downey, the parliamentary commissioner for standards, says the results of a much fuller investigation will not be ready until next week.

Because parliament breaks up today, his conclusions will not be published until after the election. The present procedures oblige the commissioner to send the report in the first instance to the standards committee, which in turn has been dissolved with the prorogation of parliament.

But that leaves the issue in a highly unsatisfactory limbo. Those MPs still under investigation are left with the charges hanging over them during the general election. The voters have no way of knowing whether they are innocent or guilty.

Some newspaper allegations against named MPs have been so specific it may be difficult to remember that they are still only allegations. The most important accuser is Mr Mohamed Fayed, chairman of Harrods, who was deeply disappointed when the government denied his application for British citizenship. Mr Fayed's allegation of corruption against Mr Michael Howard, the home secretary, was found in an earlier inquiry to be baseless.

Delay beyond the election means the commissioner's full judgment in the present case will eventually be considered by a standards committee which may have a very different composition from that which started the investigation.

It is difficult, in these circumstances, to see why Mr John Major, the prime minister, could not have postponed prorogation by a few days to allow the committee an initial look at Sir Gordon's final report. The committee could then have decided if publication was feasible before May 1.

This investigation is the toughest test of parliament's improved procedures for self-policing. An independent commissioner promised greater objectivity and fairness. But if the promises are to be realised it must be clear that investigations are free from political manipulation or suppression.

These issues should be looked at by the next parliament. The commissioner may need more resources to speed up his investigations. The standards committee must also rise above any suspicion that its procedures can be exploited for party advantage. Such hopes have been ill-served by this week's impasse.

On their own account

Wall Street investment banks are boosting income by promoting private equity and leveraged buy-out funds, says **John Gapper**

The homeless may have been largely cleared from the streets of mid-town Manhattan by Mayor Rudolf Giuliani, but the begging bowls are out on Wall Street. Investment banks both large and small are touring the world's institutional investors, seeking cash for their rapidly-growing, multi-billion dollar arsenal of private equity and leveraged buy-out (LBO) funds.

Unlike the homeless, the investment banks have been getting a warm response. More money has been pouring into what Wall Street calls "merchant banking" over recent months than at any time since the buy-out craze of the 1980s. Much of this has gone into funds raised by specialist LBO investment companies such as Kohlberg Kravis Roberts & Co, but there has been plenty to spare for investment banks.

Donaldson, Lufkin & Jenrette has raised $3bn for its latest fund, while Lehman Brothers is raising a $1.5bn fund. "A billion dollars used to be a big fund, but it is pretty common now. People are trying to get back into this business," says Mr Bob Schloss, DLJ's head of merchant banking.

Merchant banking in the US sense is the same as development capital in Europe. It involves taking equity stakes – either controlling or minority positions – in medium-sized companies. They are often being spun off from large companies and could be floated on the stock market or bought by their managers, backed by investors putting in debt and equity.

After four or five years the investors will try to realise the investment through flotation or a trade sale.

The returns on such investments can be outstanding. While a fund will usually lose the money it has invested in one or two problem buy-outs, gains from others more than compensate.

J.P. Morgan, which mostly invests its own cash rather than other people's, is thought to have invested $65m in Hospital Corporation of America in 1989 for a return of nearly $1bn.

"You can make higher returns in private equity than almost anything else," says Mr Brian Watson, J.P. Morgan's head of private equity investment. "As a stand-alone business, it is just about the most profitable thing you can do."

Investment banks are well placed to spot possible investments. They already have large, and expensive, networks of mergers and acquisitions specialists advising big companies on restructurings and divestments. "This is an incredible repository of information," says Mr Alan Goldberg, co-head of merchant banking at Morgan Stanley.

Furthermore, mergers and acquisitions work faces a similar revenue squeeze to stockbroking, because there are so many big investment banks chasing work. Banks have used equity investment to increase fee income with proprietary risk-taking in much the same way that brokers have placed more emphasis on trading securities as commissions have fallen.

"This is an opportunity to leverage the network. We have many investment bankers, and this is another profitable thing they can do," says Mr Steve Berger, head of merchant banking at Lehman Brothers. Indeed, holding a stake in a company can help a bank to gain additional investment banking business. J.P. Morgan has led equity offerings for 15 companies in which it has stakes.

For small investment banks and advisory boutiques, merchant banking offers alternative growth opportunities to broking. Lazard Frères, the mergers and acquisitions firm, is planning to build up its merchant banking side, while Gleacher NatWest, the US advisory arm of the UK's National Westminster Bank, also intends to start private equity investing.

Mr Eric Gleacher, the head of Gleacher NatWest, says this is less risky for the British bank than an expensive effort to rival the breadth of service offered by Wall Street firms. "Companies pay us tens of millions of dollars for advice on how to do something," he says. "If we can do that and people trust us, why not have a pool of capital ourselves?"

One source of funds for investment is the bonuses of the banks' own staff. Investment bankers want to invest their bonuses in profitable ways, and are nervous about the high levels of public equity markets. Most investment banks encourage their staff to invest in equity funds, and see it as a recruitment tool.

But there is plenty of money elsewhere that can be attracted to private equity funds. Most US pension funds have increased the share of their funds invested in "alternative assets" such as property or private equity from 2 per cent or 3 per cent to about 5 per cent.

"In 1990 this was a minor investment category," says Mr Watson of J.P. Morgan. "Now you would have to search hard for an institutional investor that ignores it."

In spite of these attractions, merchant banking is hardly risk-free, as the experience of the early 1990s demonstrated. In the late 1980s a bout of highly leveraged buy-outs – involving a large proportion of debt compared with equity – went wrong, leaving several banks badly burned.

The most notable Wall Street example was First Boston, which had to be bailed out by CS Holding, the Swiss bank group, in 1990 after $1.1bn of bridging loans to US companies went wrong. These loans were part of buy-out financing that included private equity. As a result, several investment banks wound down their merchant banking arms.

In addition to the financial risks there is the danger to banks' reputations if they offend customers or are seen to have lost investors' money. An investment bank that acts as investor and adviser can court trouble.

Arguably, the financial risks are less severe than in the 1980s. The leverage in most buy-outs has fallen since the days of debt capital being piled on just 5 per cent of equity. During the early 1990s most deals involved about 25 per cent equity capital. More recently enthusiasm has pushed down levels of equity, but they remain above 15 per cent.

Furthermore, banks have limited their own financial risks by seeking co-investors not only in private equity funds, but associated bridging loan – and even bank debt – funds. Morgan Stanley and its staff hold $201m of the $1.9bn in its most recent private equity fund. J.P. Morgan is unusual in its preference for investing only its own money.

Yet the more the financial risk is spread among investors, the greater the risk of losses or conflicts damaging a bank's reputation. J.P. Morgan discovered this painfully in Spain in 1993 when it chose Banco Espanol de Credito (Banesto) as the recipient of a $162m investment by a Morgan-led equity fund, and was later caught up in public controversy.

The most obvious trap into which a bank can fall is when it both advises a company and takes part in a related investment. All banks forswear bidding for a company if they are advising its parent on selling it. "The conflict is so glaring that it would be hard to convince anybody it is a fair price, so we don't bother trying," says Mr Schloss of Donaldson, Lufkin & Jenrette.

Merchant bankers also face a challenge in persuading their partner investors that they are truly acting in their interests in all cases, and not those of their parent investment bank. The temptation is to use the bank's private equity funds to back advisory clients' deals. This will bring in extra fees, but is not the best way to make a profitable investment.

"A lot of folks that went into private equity in the past did not think of it as an investment business per se, but as way of producing a larger fee. That is the quickest way to a problem," says Mr Goldberg of Morgan Stanley. As a result of this, investors want to see the personal rewards of merchant bankers linked to their investment returns.

Rewards for the investment bank that runs a fund tend to be heavily weighted to achieve this. Management fees are often 2 per cent of the funds committed, but banks that manage LBO funds are paid 20 per cent of investment returns. Some investment banks – including Morgan Stanley – allocate part of this to the merchant bankers involved.

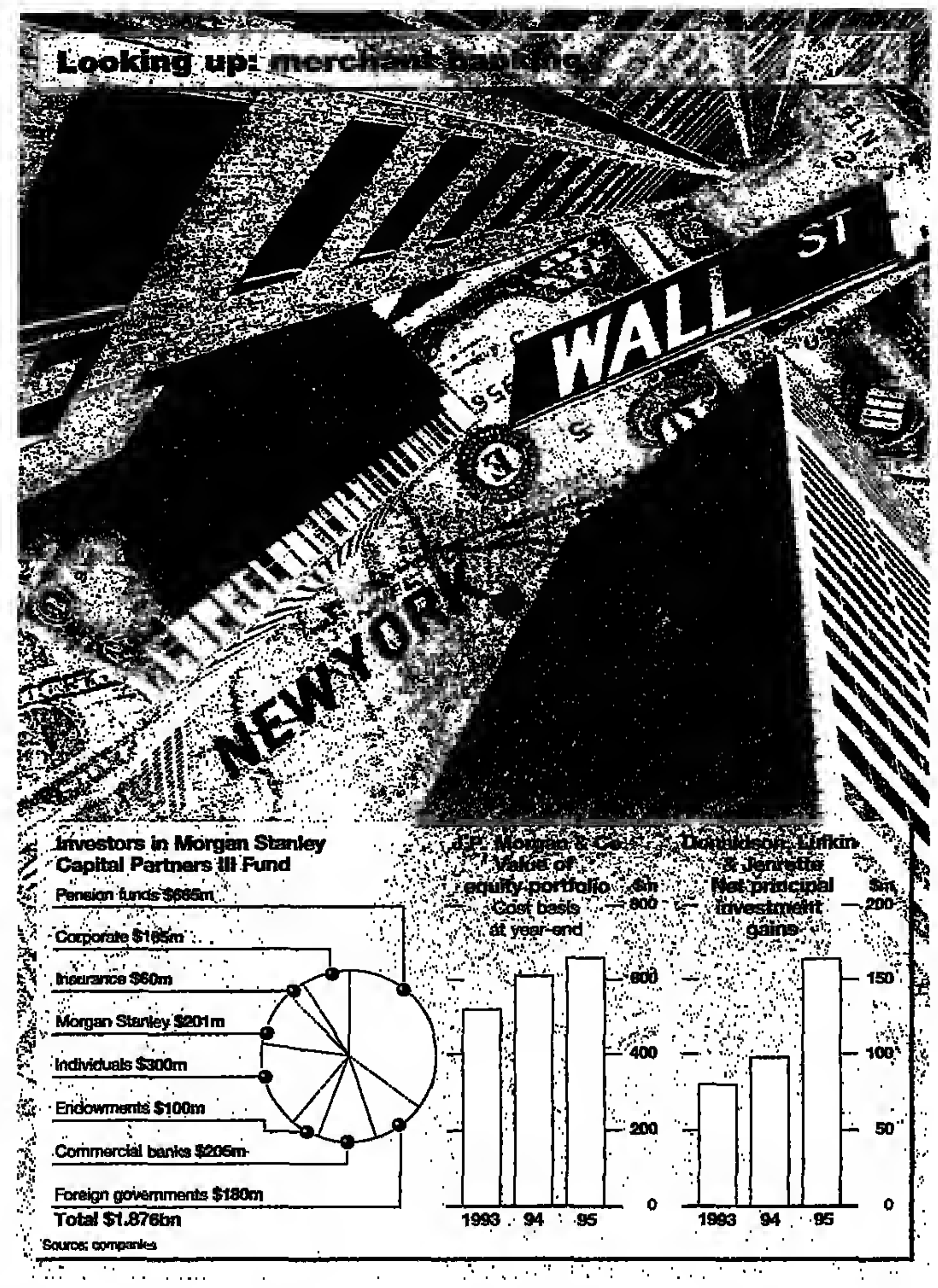
For the moment, the potential conflicts and losses from the current wave of buy-out finance lie in the future. A more pressing problem for those involved is finding suitable investments for the cash they have raised. The prolonged surge in the US stock market has not helped, since it has encouraged companies to go for flotations rather than management buy-outs.

Competition among buy-out funds also makes it far harder to buy companies at the right price. "Things are getting tougher because of the weight of money flowing in," says one merchant banker.

"It is very hard to catch up in this game if you paid too much in the first place," says Mr David DeNunzio, head of merchant banking for Credit Suisse First Boston.

As the prices of target companies are forced up, along with the element of leverage in deals, the possibility of the cycle of the 1980s being revisited also rises. "It is easy to make a bridge loan to get a bonus, and leave before trouble arrives," says a merchant banker.

The cash is flowing into Wall Street, nobody yet knows how much will flow out again.



· OBSERVER ·

Eisner gets animated

■ There's no denying that Michael Eisner has been a businesslike caretaker of Walt Disney's entertainment empire. Now he seems to be bidding for a bigger role: that of visionary and creative force equal to the grand old animator himself.

With urban designer Robert Stern installed on his board – and a display of dippy Disney buildings representing US culture at last year's Venice biennial – Eisner has already staked his claim as an architectural trend-setter.

Observer can reveal that he's picked Jean-Luc Choplin, a hyperactive French musician who's worked with the likes of John Cage and Rudolf Nureyev, to work on an as-yet-undefined master work to crown what Eisner is already calling "Mickey's Millennium".

Now, in his boldest stroke yet, Eisner hopes to demonstrate that he is Uncle Walt's spiritual heir by restoring The Wonderful World of Disney to a prime-time slot on the group's flagging ABC television network.

Back in the 1950s the venerable series – presented by Walter E. Disney himself – helped spread the Disney family-values message. Michael D. Eisner has decided that the great man's magical glass slipper is a perfect fit, and has already taped several introductions of his own.

Soft landing

■ It has taken a Philippine presidential committee three months to confirm a controversial land reclamation deal between the government's Public Estate Authority and the Amari Coastal Development Corporation.

Senate president Ernesto Maceda, leader of the opposition Nationalist People's Coalition, calls the deal "the grandmother of scams". He says the land in Manila Bay was sold off too cheaply and that kickbacks were paid to middle-men brokering the deal. Worse still, Maceda believes that substantial contributions found their way into the coffers of the administration Lakas party.

The whole affair has turned into a big embarrassment for the Ramos administration. Although Amado Lagadameo, the transportation secretary, has been cleared of any impropriety, there have been widespread calls for his resignation. And while the land deal stands, the presidential committee has recommended that criminal charges should be filed against certain PEA officials and a government adviser.

Malaysian, Japanese and Thai investors in Centennial Holdings – the listed parent company which has 70 per cent of its assets tied into the Amari deal – will, however, be delighted with the outcome. An unfavourable decision from the committee could have sent the group into bankruptcy.

Ship shape

■ A tot of rum for everyone at Kvaerner following news that the company's Finnish shipyards have won an order for a second giant 130,000-tonne cruise ship. Giant is certainly the word: the new vessels – ordered by Florida-based Royal Caribbean Cruises – will be twice the size of the regal QEII and one-third bigger than any other passenger ship afloat. The dining rooms in each new vessel will seat 2,000 slightly queasy passengers.

But what is Royal Caribbean going to call its new maritime monsters? Like most of the world's cruise operators, the company has not shown much flair on this score. Recent additions to its fleet include Viking Serenade – which could be a Nordic entry for the Eurovision song contest – and the cringe-making Enchantment of the Seas.

Not as bad, perhaps, as the Disney Magic and the SuperStar Virgo, both of which are due to come down the slipway next year for rival cruise lines. But let's hope Royal Caribbean comes up with something, well, a little more dignified for vessels too large to get through either the Suez or the Panama canals. Big Mutha of the Seas is not a realistic option.

Micro Moore

■ Gordon Moore, the 68-year-old co-founder of US chip producer Intel, will be in the UK today to help celebrate the 100th birthday of the electron. The miniscule particle was discovered by Joseph Thomson, who slaved away in the Cavendish Laboratory, Cambridge.

While Thomson's discovery paved the way for the development of the electronics industry, 'Moore's law' – which states that the power capacity of microchips doubles every 18 months, with a proportionate decrease in costs – has driven the personal computer revolution.

Intel's microprocessors power the vast bulk of the 70m PCs that were sold worldwide last year; that figure is likely to top 100m by the end of the decade. The self-effacing Moore is happy to confess that he once believed the PC market would plateau at no more than 25m units a year. But then there's nothing like under-estimating the upside.

Financial Times 50 years ago

Gold Coins "Will Return"
New York, 20th March. Gold coins will gradually come back, Mr. P. M. Anderson, managing director of the Union Corporation of Johannesburg, told the World Conference on Mineral Resources here. "There is a rhythm in the production of gold in its relation to the total gold available and to the total economic activity which neither the ingenuity of man nor the intervention of governments has appreciably affected," he said. "This fact continues to commend gold as a monetary medium which cannot be tampered with, and is indeed a much stronger reason for its use than tradition or a mythical faith in the metal, strong as these are."

$3 Wheat in Chicago
During the week Chicago wheat exceeded $3 a bushel for the second time in 30 years. The tight supply position and the disquieting outlook for the 1946-47 European wheat crop make it difficult to regard the position as bearish. But Argentina is talking of nine million tons of maize for export, and last autumn's record [illegible] crop is now reaching the market. In addition, the Brazilian maize crop is now looking well.